

Heavy vehicle road access reforms

Report 20: 2015–16



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29 June 2016

The Honourable P Wellington MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

Report to Parliament

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled *Heavy vehicle road access reforms* (Report 20: 2015-16).

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Close', is positioned above the printed name.

Anthony Close
Acting Auditor-General

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Summary

Freight transport plays a significant role in the Australian economy. Transport businesses move freight long distances by road between Australia's widely spread agricultural, mining, production and population centres.

About 50 000 specialised road freight businesses employed 180 000 people Australia-wide in 2012 and added \$18 billion to the Australian economy. Half a million registered heavy vehicles operated in Australia in 2012, and the need for freight transport continues to grow.

All heavy vehicles that do not meet general mass and dimension limits need to obtain a permit to pass safely over public roads. Historically, the heavy vehicle operators had to apply separately to each state, territory and local government road manager for these permits.

Each road manager had different processes for evaluating requests and approving access to their roads, creating paperwork, time and costs for the heavy vehicle operators.

In 2011, the Council of Australian Governments (COAG) agreed to the creation of the National Heavy Vehicle Regulator (NHVR) to administer one set of rules under the Heavy Vehicle National Law (HVNL). Under the HVNL, the NHVR is responsible for coordinating heavy vehicle access applications from start to finish, liaising directly with road managers (state, territory and local) to obtain road manager consent for access and to issue permits. The NHVR Board reports to the Responsible Ministers, representing the Australian Government and each state and territory that agreed to participate in the HVNL.

In Queensland before the HVNL, the Department of Transport and Main Roads (DTMR) issued guidelines and permits under sections 48 and 51 of the *Transport Operations (Road Use Management-Mass Dimensions and Loading) Regulation 2005* (Qld). Under the HVNL, the DTMR, as the state road owner, remains responsible for assessing requests and providing road manager consent for access before the NHVR issues the permit.

Australia's Transport and Infrastructure Council (TIC) estimated the benefits of the HVNL at \$5.6 billion ('pessimistic' scenario) to \$12.4 billion ('best bet' scenario) over the next 20 years. The TIC expects the benefits to come mainly from improvements to productivity and safety, and reductions in costs for industry.

It took time for the participating state and territory governments to resolve a number of policy and technical issues with the new law. The *Heavy Vehicle National Law Amendment Bill* (the Amendment Bill) passed in February 2013.

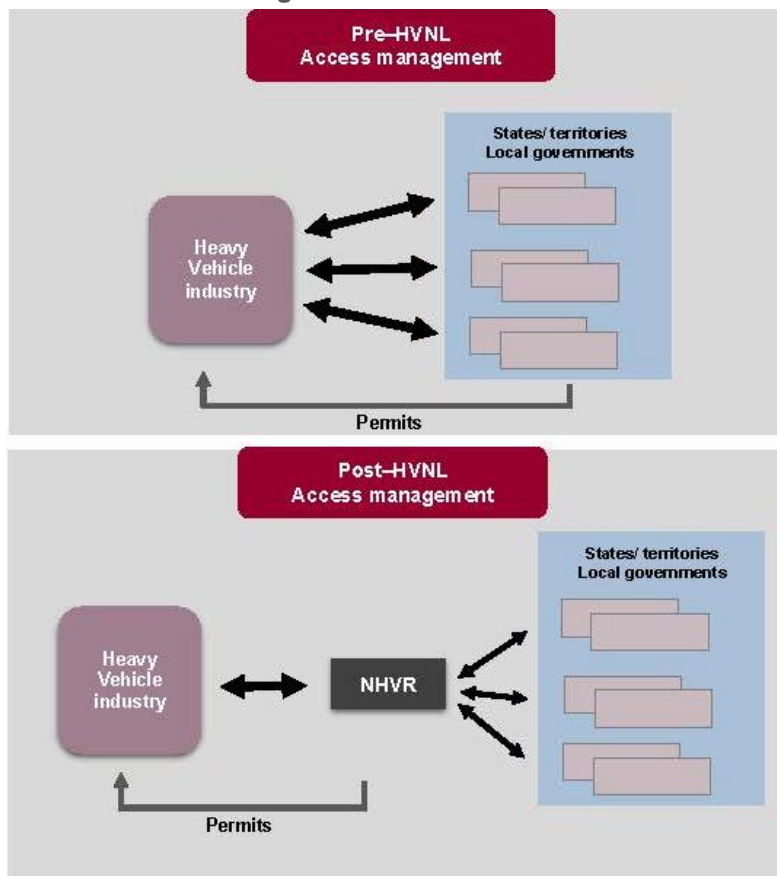
Figure A compares the access arrangements before and after the HVNL.

The NHVR went live with the new access arrangements on 10 February 2014, 12 months after the Amendment Bill passed.

Just four days later, operators expressed their dissatisfaction with the system and processes associated with the NHVR online, one-stop-shop (portal) for access applications. As a result, the participating state and territory governments asked the NHVR to delegate responsibility for processing certain categories of applications to the relevant states and territories.

In Queensland, the NHVR delegated its authority to the DTMR to issue specific classes of permits. The states and territories issued nearly 90 per cent of the 78 510 heavy vehicle access permits issued in 2014–15.

Figure A
Access management before and after the HVNL



Source: Queensland Audit Office

Since February 2014, the NHVR has reviewed what went wrong and put in place projects to remedy the problems. The work to address the access system and process issues is called the AccessCONNECT Program.

This audit examines how well the NHVR has addressed the root causes of the failure of the access management function in February 2014, and whether it is now on track to deliver its access management responsibilities.

Implementing the HVNL is a national reform and therefore many parties and levels of government are responsible for its success. We interviewed relevant national bodies and several interstate industry stakeholders. However, our mandate does not extend to the audit of other state and territory governments, or local governments outside Queensland.

Conclusions

Industry operators across participating states and territories continue to face inconsistent processes and decisions for getting a heavy vehicle permit, and the industry has yet to obtain any substantial benefit from the new law with regard to access permit management.

More than two years after 'go live' the NHVR has not implemented a fully effective one-stop-shop for access management. From early 2013 until February 2014, the NHVR had invested \$9.3 million in its access management system, but during 2014–15, it processed only about 12 per cent of the heavy vehicle permit volumes across participating states and territories.

Even when the NHVR addresses the current access management process and system issues, this will only deliver the benefits expected of the reforms if the NHVR, state, territory and local government road managers work effectively together to implement the HVNL. This area requires more attention.

However, the NHVR Board and management have learnt from their mistakes — they now engage better with their stakeholders and have changed their project management approach, releasing system changes in stages after much planning and testing.

This demonstrates the NHVR's commitment not to repeat the same problems. But some stakeholders remain concerned about the NHVR's ability to deliver access management efficiently and effectively. They perceive that the pace of change and system rectification is too slow, and that there has been insufficient communication with them.

Access management today

The NHVR is not delivering a consistent, streamlined access management function as intended, resulting in duplicate permit processes across participating states and territories.

The plan was to have one set of laws, streamline the process to grant access to roads, and improve productivity and safety for the heavy vehicle industry. The NHVR was to liaise directly with road managers (both state and territory road authorities and local government) to obtain road manager consent for access and issue permits.

The one-stop-shop was intended to drastically reduce the time and cost needed to apply for and assess a permit.

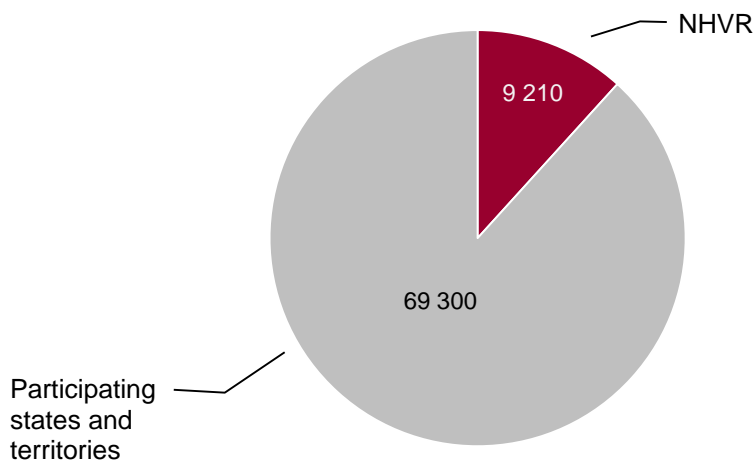
Permit volumes

The NHVR issues permits for some journeys and for some classes of vehicle and has delegated responsibility for others. These inconsistent arrangements will continue until the NHVR develops and implements its new one-stop-shop permit system and processes, and cancels the delegations it has given to the participating states and territories.

For journeys that cross over state borders, operators can apply to the NHVR, which will seek consent from each of the relevant state and territory road authorities and any local government road managers along the route. For purely intra-state or intra-territory journeys, different arrangements apply.

In 2014–15, the NHVR and the various states and territories estimate they issued 78 510 heavy vehicle access permits. Figure B shows that the participating states and territories issued about 88 per cent of access permits.

Figure B
Estimated number of access permits issued in 2014–15



Note: Data collected by NHVR over three-month period (August 2014 to October 2014) and extrapolated to estimate the 2014–15 total.

Source: Queensland Audit Office extracted from National Heavy Vehicle Regulator 2014–15 Annual report

These data reflect the total number of permits issued. Most permits involve the consent of multiple road managers. For example, in quarter one 2015–16, the NHVR processed 1 515 permits involving 8 544 consent requests.

Access management systems

The NHVR's Access Management System (AMS) cost \$9.3 million to 10 February 2014.

The NHVR's program of work to replace the AMS and improve related processes has been running for nearly two and a half years. It started work on the remediation program in April 2014. It intended to complete development of the first component — the customer portal by the end of January 2016. However, it has delayed implementation, and commenced a staged rollout and anticipates completion by the end of September 2016. The NHVR has not communicated a target date for full implementation of the new access management system.

The approach the NHVR is now using involves trialling and testing new system components and delivering them in stages, rather than rolling out the new system all at once at the end of the project. Releasing systems components incrementally shows that it has learnt from the mistakes made in the past and intends to deliver quality products, but this approach means that the overall program elapsed time, scope and cost continues to grow.

In June 2015, the NHVR engaged a consultant to conduct a 'health check' on the program. The consultant identified a number of issues and made twelve recommendations to address those issues. The NHVR has recently implemented the majority of them. The outstanding recommendations relate to developing and reporting on a detailed budget by phase and activity (for each sub-project), monitoring project costs against that budget and providing detailed progress reports to the Program Governance Committee, or another appropriate forum.

The NHVR allocated \$4.2 million for the AccessCONNECT program in 2014–15 and allocated an additional \$4.2 million in 2015-16, taking the total to \$8.4 million. Some key industry stakeholders perceive the project is taking longer than expected. The slower the pace to complete the work to implement the new arrangements fully, the longer industry waits to receive the improved access productivity benefits.

Industry expectations of access management

The heavy vehicle industry expected that the new access arrangements would result in issuing permits quickly and consistently. As long as stakeholders' expectations exceed what the NHVR can actually deliver under the terms of the HVNL, the new access arrangements will not fully satisfy the industry.

Consistent, evidence-based and transparent access decisions

One of the objectives of the COAG's Intergovernmental Agreement on Heavy Vehicle Reform was seamless national regulation of heavy vehicles that achieves the same outcome in the same circumstances. This requires decision-makers to refuse access only with evidence of risk, consistent across and within participating states and territories, and clearly explained. For example, if a road manager refuses consent for a particular heavy vehicle on a specific route when the same road manager has previously approved an identical vehicle on that same route, the road manager needs to provide a clear explanation supported by evidence for the decision, so the operator understands why it refused the later request.

Industry's perception is that the reasons given for refusing access are not always consistent and evidence-based. Stakeholders told us that some local governments do not have the resources and expertise readily available to make evidence-based consent decisions that often require a technical assessment of risks to the relevant infrastructure on those roads.

While resourcing for local government is outside the NHVR's remit, its current program of work aims to assist road managers by developing tools and guidelines and a standard set of permit conditions. But it is too early to know whether they will effectively address stakeholders' concerns and meet industry's expectations.

Permit issuing time

Industry stakeholders consistently told us that the 28-day timeframe for state and territory road authorities and local government road managers to grant consent is their main concern about the new access management arrangements. Industry's perception is that the time that the NHVR and its delegates take to issue some types of permits has increased since the new arrangements commenced.

The NHVR has recently started to capture and report data about permit processing timeframes, but only for the 12 per cent of permits that it currently issues. This is a positive step but, without comprehensive data on consent decision timeframes for all permits, the NHVR is unable to monitor and identify those road managers who are struggling to meet industry's expectations for timely permit decisions. This means that the NHVR, the states and territories and local government associations will not be able to target support and assistance to those road managers who need it most.

Lessons learnt

The NHVR experience is an example of what can go wrong when an entity underestimates the time and effort required to implement a nation-wide reform and does not effectively manage stakeholder expectations and mitigate known risks.

What the NHVR did not do well was:

- allow sufficient time and resources for implementation
- manage the change required through effective engagement
- clearly communicate to decision-makers the impact of risks on successful implementation if not well managed.

The NHVR Board asserted to us that it was not under pressure to go live on 10 February 2014 and it made its decision in good faith with the expectation that the NHVR would be ready.

When it took its decision, the Board had information before it indicating that there was a risk that it would not be fully ready to go live in February 2014, and there are references in reports to the Board of financial pressure to deliver the new access arrangements. In addition, some state and territory governments and the Australian government were encouraging the NHVR to deploy the new access management system.

In the event the NHVR was not ready, largely because the timeframes it agreed to were overly ambitious and did not allow enough time for important change management activities such as testing systems and processes, rigorously assessing readiness, and staff training.

Poor planning and engagement with stakeholders meant the NHVR did not fully understand the impact of the new legislation on local government operating practices, and the flow-on effect to the NHVR's ability to deliver a seamless process for permit applications. The NHVR was not effective in supporting local government road managers to prepare for processing the volumes of heavy vehicle requests relating to their roads—some had not been involved in processing permits before the HVNL, despite the previous road access laws requiring them to.

The Australian National Audit Office's (ANAO's) Better Practice Guide: *Successful Implementation of Policy Initiatives* guides public sector entities on implementing policy. It draws together lessons from experience about how to implement government policies successfully, and uses those insights to strengthen performance in the future.

The guide refers to critical activities that should start at the policy design stage and then move into implementation. The focus of this audit is on the implementation of the policy, being the HVNL in this case; the policy design activities are outside the scope of this audit.

Figure C compares the relevant sections of the ANAO guide to NHVR's experience before February 2014.

Figure C
NHVR's lessons learnt

ANAO elements of successful policy implementation	Summary of NHVR's experience
Planning and resourcing	
<p>Planning for successful implementation involves getting the implementation strategy, plan and design right before beginning time-critical and expensive implementation activities. Unrealistic timeframes can increase the cost and risk of a project, or lead to its failure.</p>	<p>The implementation timeframes NHVR agreed to were overly ambitious. They did not allow sufficient time to plan and deliver the new access management arrangements successfully. Funding was also uncertain due to the different arrangements entered into with the states and territories.</p>
Stakeholder engagement and change management	
<p>Stakeholder engagement is an important step in testing whether an initiative is likely to work in practice. Engage early to allow for a greater range of solutions to emerge and to improve the chances of successful implementation.</p> <p>Successful change management strategies require strong leadership, structured planning, design and continuous internal and external stakeholder involvement.</p>	<p>The NHVR engaged with stakeholders but it did not manage their expectations well. It also did not manage the change process effectively.</p> <p>This meant:</p> <ul style="list-style-type: none"> ▪ NHVR staff were not ready to deal with the volume and complexity of permit requests in a manner that met stakeholder expectations ▪ local governments were not ready and able to play their part in the new access management arrangements ▪ key stakeholders were not confident that the NHVR was working effectively with state and territory road authorities to deliver the reforms.
Governance and risk management	
<p>Sound governance arrangements are critical to successful implementation. Governance refers to the arrangements and practices which enable an entity to set its direction and manage its operations in order to discharge its accountability obligations and assist in the achievement of expected outcomes.</p>	<p>When the NHVR Board advised the Responsible Ministers on 22 January 2014 that it would be ready to go live on 10 February 2014, it had information that showed that before then the NHVR needed:</p> <ul style="list-style-type: none"> ▪ to complete some critical activities prior to go-live, including finalising reports, business volume testing, security and vulnerability testing and recruiting and training all access management staff ▪ to fully implement all outstanding readiness review recommendations to reduce the risk of failure, including business and technical cutover planning, detailed operational planning, assessing road manager readiness and finalising the stakeholder engagement plan. <p>The NHVR did not fully complete all of these activities by 10 February 2014.</p>

Collaborating across all levels of government

Industry stakeholders' perception is that the working relationship between the NHVR and the DTMR, was not, and is still not, effective.

Both the NHVR and the DTMR have current projects to develop new information systems, which have considerable overlap and similar timeframes. Given the potential to cause confusion within the industry in Queensland, it is critical that the DTMR and the NHVR work more closely together to coordinate the release of their respective systems and communication about them.

The NHVR has lately recognised the need to work collaboratively with the local government sector. For example, on 11 May 2016, the NHVR and the Local Government Association of Queensland (LGAQ) entered into a memorandum of agreement to affirm their joint commitment to achieving a high standard of heavy vehicle regulation in Queensland. The memorandum notes that collaboration between the NHVR, the LGAQ and local governments is critical to improving the safety and productivity of Queensland's road freight network.

Since early 2015, the DTMR has been working with the LGAQ to educate local governments on the safety, productivity and efficiency benefits of certain vehicles. It also provides training on tools to assist them assess routes for these vehicles to access certain routes.

Recommendations

We recommend that the NHVR:

1. improve the maturity of its planning and resourcing by addressing the remaining recommendations identified by recent reviews of the AccessCONNECT program of work. In particular, it should address the recommendations to develop and report on a detailed budget by phase and activity (for each sub-project), monitor project costs against that budget and provide detailed progress reports to the Program Governance Committee, or another appropriate forum
2. monitor and periodically review the reasons given by road managers for refusing consent and assess whether they are consistent, evidence-based and clearly explained. Work with relevant entities to provide additional targeted support to any road managers not meeting these requirements
3. monitor and report on data for all permits issued across participating states and territories to identify which road managers are taking longer than others to make consent decisions. Use that data to work with relevant entities to provide targeted support and assistance to those road managers requiring it.

We recommend that the NHVR and the DTMR:

4. work together and share information to:
 - assist the NHVR in achieving the objectives of the HVNL
 - avoid any potential duplication of effort in system development
 - improve industry stakeholder's confidence that the DTMR is committed to the heavy vehicle reforms.

Reference to comments

In accordance with s.64 of the *Auditor-General Act 2009*, a copy of this report was provided to the National Heavy Vehicle Regulator and the Department of Transport and Main Roads with a request for comments.

We have considered their views in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report.

The comments received are included in Appendix A of this report.

1. Context

Australia's road freight industry

Freight transport plays a significant role in the Australian economy. Freight means goods carried by ships, trains, airplanes and trucks.

Freight is moved long distances by road in Australia, because of the size of the country as well as the many and diverse locations of its agricultural, mining, production and population centres.

About 50 000 specialised road freight businesses employed 180 000 people Australia-wide in 2012 and added \$18 billion to the Australian economy. There were half a million-registered heavy vehicles in Australia in 2012.

The Australian Bureau of Statistics 2014 Road Freight Survey (which included all freight moved by registered articulated and rigid trucks exceeding 3.5 tonnes gross vehicle mass) tells us that:

Articulated and rigid trucks in Australia moved over 2 billion tonnes of freight over a distance of 17 billion kilometres in the 12 months to October 2014, with just under three quarters (71.2 per cent) of the total tonnes originating in either New South Wales, Victoria or Queensland.

Road freight originating from NSW represents one quarter (25.3 per cent) of all road freight transported in Australia. This was followed by Queensland at 23.4 per cent.

Over 95 per cent of the total tonnes carried by road were carried within the same state of origin and destination. Sand, stone and gravel were the most common commodities moved across all states and territories, making up about 23 per cent of the total tonnes moved across Australia.

The national reform agenda

In May 2008, the Australian Transport Council (ATC), now called the Transport and Infrastructure Council (TIC), announced a transport reform agenda, covering heavy vehicle, rail and maritime transport. The ATC comprised the Commonwealth and all state and territory transport ministers. They agreed that Australians wanted a national transport system that was safe, secure, efficient, reliable and integrated and that supported national social, economic and environmental prosperity.

Improving the productivity of the freight industry is essential to ensure Australia can meet the increasing demand for transport from a growing, ageing and urbanising population.

Infrastructure Australia has forecast that between 2010 and 2030:

- truck traffic will increase 50 per cent
- rail freight will jump 90 per cent
- the number of containers crossing the nation's wharves will increase 150 per cent.

Expected benefits

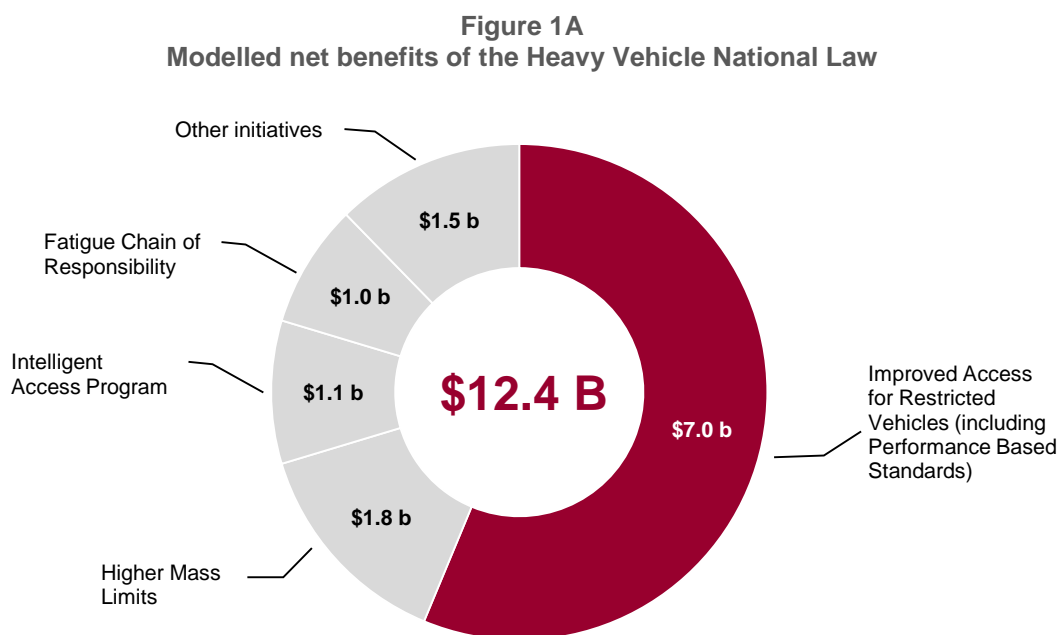
Regulatory Impact Statement

In May 2009, the ATC provided the Council of Australian Governments (COAG) with a Regulatory Impact Statement (the 2009 RIS): A National Framework for Regulation, Registration and Licensing of Heavy Vehicles. The 2009 RIS considered four options for achieving nationally consistent regulation of heavy vehicles and recommended establishing a single, national, statutory regulator to administer uniform legislation.

In September 2011, the National Transport Commission (NTC) prepared a Regulatory Impact Statement (the 2011 RIS) to evaluate the likely impact of the heavy vehicle reforms. It estimated that the reforms would deliver total benefits of between \$5.6 billion ('pessimistic' scenario) and \$12.4 billion ('best bet' scenario) over 20 years.

These benefits would accrue mainly from improvements to productivity and safety, and reductions in costs for industry and government. Specifically, the benefits would come from minimising the compliance burden on the heavy vehicle transport industry and reducing duplication and inconsistencies across state and territory borders. For example, heavy vehicle operators would have one single point of contact for access permits. The National Heavy Vehicle Regulator (NHVR) would liaise directly with road managers (state and territory road authorities and local government) from start to finish to obtain road manager consent for access and issue permits.

Figure 1A shows that improved access for restricted vehicles (including Performance Based Standards) would deliver \$7 billion of benefit or 56 per cent of the total expected benefits (best bet scenario) from the HVNL.



Note: Appendix B includes definitions of these terms

Source: Queensland Audit Office — adapted from *Heavy Vehicle National Law – Regulatory Impact Statement, September 2011*

Appendix C provides more information about the national reforms.

In estimating these benefits, the NTC noted that the productivity gains expected from this reform represent what is possible where all states and territories implement the Heavy Vehicle National Law (HVNL) without change. Every departure from the pure model represents a reduction in potential gains and a likely increase in costs.

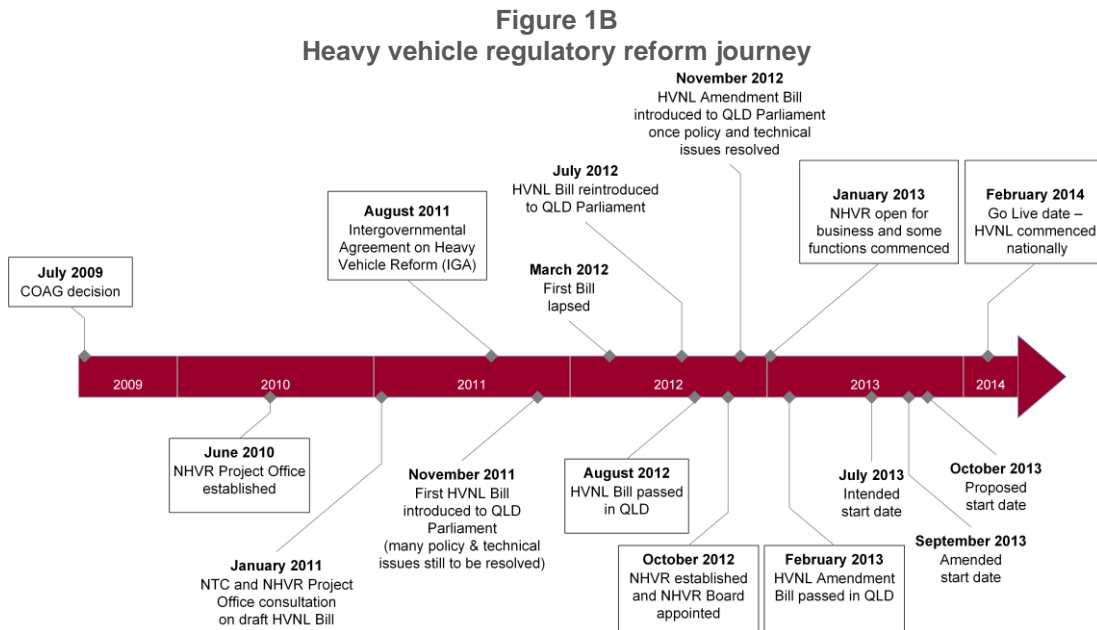
During the implementation process, there were several critical departures from the original proposed model. Western Australia (WA) did not agree to participate in the reforms at the outset and although Northern Territory (NT) initially did, it later decided not to participate.

There were also some critical amendments to the proposed HVNL, which had the effect of increasing the level of involvement that road managers and, in particular, local governments have in the access decision-making process. This will also reduce the overall benefits that the NHVR will ultimately deliver.

Establishing the NHVR

Implementation timeframes

The ATC's 2009 RIS outlined an implementation road map for the reforms that included the establishment of the NHVR. Figure 1B shows the major steps and dates in the reform journey.



Source: Queensland Audit Office — adapted from NHVR: An industry guide to access under the Heavy Vehicle National Law

In 2010, the Australian and Queensland Governments agreed to:

establish a project office for the development of a national heavy vehicle regulatory system, including national law administered by a single national heavy vehicle regulator, to regulate all vehicles over 4.5 tonnes.

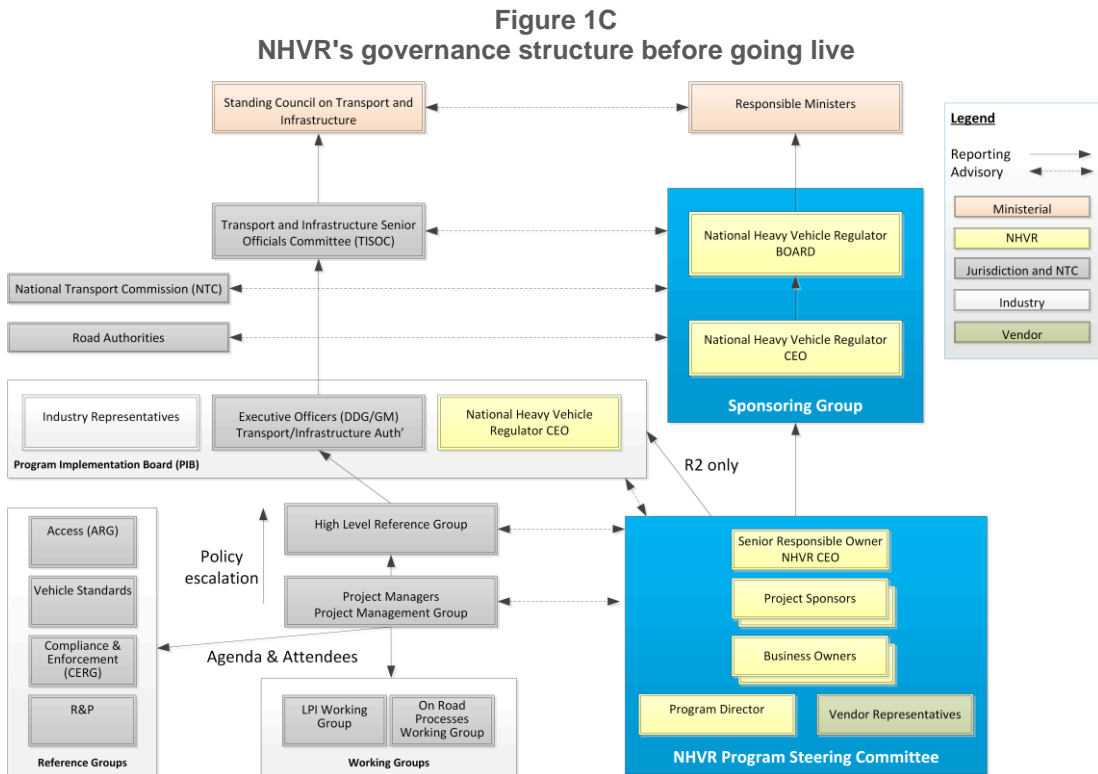
In February 2010, Queensland was named host jurisdiction of the NHVR and HVNL, and the NHVR Project Office opened in Brisbane in June 2010.

In an intergovernmental agreement signed in August 2011, COAG agreed that the NHVR would be established by July 2012 (if possible), but no later than December 2012, and be fully operational by 31 December 2012.

Governance arrangements

The project office reported to the NHVR project board, comprising of CEO level representatives from the major states and territories, the Australian Government and the NTC. The primary role of the project board was to provide strategic guidance, advice and direction to the project director and project office in establishing the NHVR.

Figure 1C shows the NHVR's governance arrangements in the lead up to going live. While the names of some of the bodies changed over time, these same arrangements existed from 2010 until it went live in February 2014.



Source: NHVR Release 2 Program Steering Committee—Governance Charter, June 2013

Revised timeframes

COAG had to revise the implementation timeframe because, although the then Queensland Minister for Transport and Multicultural Affairs introduced the HVNL into the Queensland Parliament in November 2011, the Bill lapsed in March 2012 due to the Queensland election and the resulting change of government.

The then Queensland Minister for Transport and Main Roads re-introduced the Bill on 31 July 2012, and the Queensland Parliament passed the HVNL on 23 August 2012. At this stage, the HVNL established the NHVR (from 12 October 2012) and allowed for some functions (for example, the Performance-Based Standards Scheme and the National Heavy Vehicle Accreditation Scheme) to commence from 21 January 2013.

It was only once all the state and territory governments resolved a number of policy and technical issues that the then Queensland Minister for Transport and Main Roads could introduce the HVNL Amendment Bill on 13 November 2012 into the Queensland Parliament. On 14 February 2013, the Queensland Parliament passed the Amendment Bill allowing the substantive provisions of the HVNL, including access management, to commence on a date to be proclaimed.

Funding principles

The intergovernmental agreement outlined the funding arrangements for establishing the NHVR and its ongoing operational costs. Specifically, the parties agreed, amongst other things, that:

- the Australian Government would fund establishing the NHVR and providing basic information technology functionality for the NHVR to operate effectively
- the states and territories would pay the cost of transitioning to the HVNL and associated requirements
- the costs to integrate states' and territories' IT systems and data to the NHVR would be subject to full cost recovery from registered operators
- all ongoing NHVR costs would be subject to full cost recovery from registered operators through the heavy vehicle registration charge or other direct recovery fees (e.g. permit application fees)
- states and territories would own the roads component of the national registration heavy vehicle charge, and the NHVR would own the regulatory component and pay the states and territories for the delivery of services.

The intergovernmental agreement also specified that access to the road network would remain the responsibility of the asset owner (road manager); and each state and territory would continue to be responsible for the management of its road network and for deciding limits on road networks. Specifically, the parties agreed that:

- decisions on access will be made having regard to national guidelines approved by the standing council
- the NHVR will manage the access application process and issue access decisions to applicants
- they will work cooperatively with local governments and the NHVR to ensure consistency in access decisions within their own jurisdictions and more broadly, in the operation of the national system
- if access, whether or not subject to conditions, is allowed for the use of a vehicle or class of vehicle, it is intended that the same access will apply in like situations throughout Australia
- the NHVR will review access decisions made by asset owners for consistency and possible national applicability.

Heavy Vehicle National Law

On 15 November 2011, Queensland introduced the first HVNL Bill into the Queensland Parliament. However, this Bill lapsed in March 2012, due to elections and formation of a new government.

On 31 July 2012, Queensland reintroduced the HVNL Bill into the Queensland Parliament.

On 23 August 2012, the Queensland Parliament passed the HVNL, which established the NHVR as a statutory body. While certain provisions commenced in October 2012, the majority of the HVNL commenced in Queensland and other participating states and territories in 2013 and 2014.

The HVNL now applies in all Australian states and territories except for WA and the NT.

National Heavy Vehicle Regulator

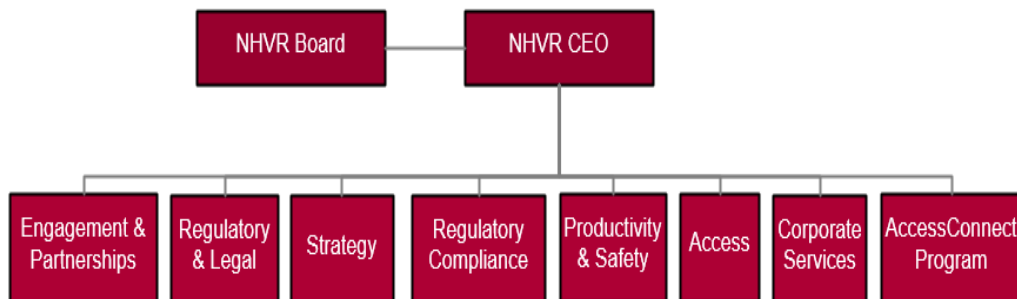
The NHVR is now Australia's dedicated, independent regulator for all vehicles over 4.5 tonnes gross vehicle mass on the road. The NHVR administers one set of laws for heavy vehicles under the HVNL, delivering a range of services under one regulator, one rulebook.

The NHVR is responsible for a range of functions, including:

- National Heavy Vehicle Accreditation Scheme (NHVAS) management and accreditations
- Performance-Based Standards (PBS) Scheme vehicle design and access approvals
- heavy vehicle access permit applications
- heavy vehicle standards modifications and exemption permits
- fatigue management regulation
- a national driver work diary and risk classification system for advanced fatigue management
- one set of national notices
- one set of national fees for NHVR services
- one set of national penalties.

The NHVR's head office is located in Brisbane and commenced business in January 2013 managing the NHVAS and the PBS Scheme. For the 2014–15 financial year, the NHVR's total revenue was approximately \$140 million. As at 30 June 2015, the NHVR had 138 fulltime equivalent employees. Figure 1D shows the functions and relationships of the NHVR's organisational structure at 30 June 2015.

Figure 1D
Organisational structure as at 30 June 2015



Source: Queensland Audit Office — adapted from the NHVR Annual report 2014–15

Roles and responsibilities

Responsible Ministers

The NHVR Board reports directly to Responsible Ministers. The HVNL defines Responsible Ministers as a group of ministers for each participating state and territory (as nominated by them) and the Commonwealth Responsible Minister.

Each Responsible Minister is a member of the TIC, along with other relevant transport and infrastructure ministers.

NHVR Board

The NHVR Board consists of five members appointed by Queensland's Responsible Minister, currently the Minister for Transport and the Commonwealth Games, on the unanimous recommendation of the Responsible Ministers. Appointed on 12 October 2012, their term of office was for a three-year period. In October 2015, the Minister re-appointed the same board members for a further three-year term.

Section 664(1) of the HVNL provides that the board controls the NHVR's affairs.

The board's functions include:

- deciding the NHVR's policies (subject to any directions of the Responsible Ministers)
- ensuring the NHVR exercises its functions in a proper, effective and efficient way.

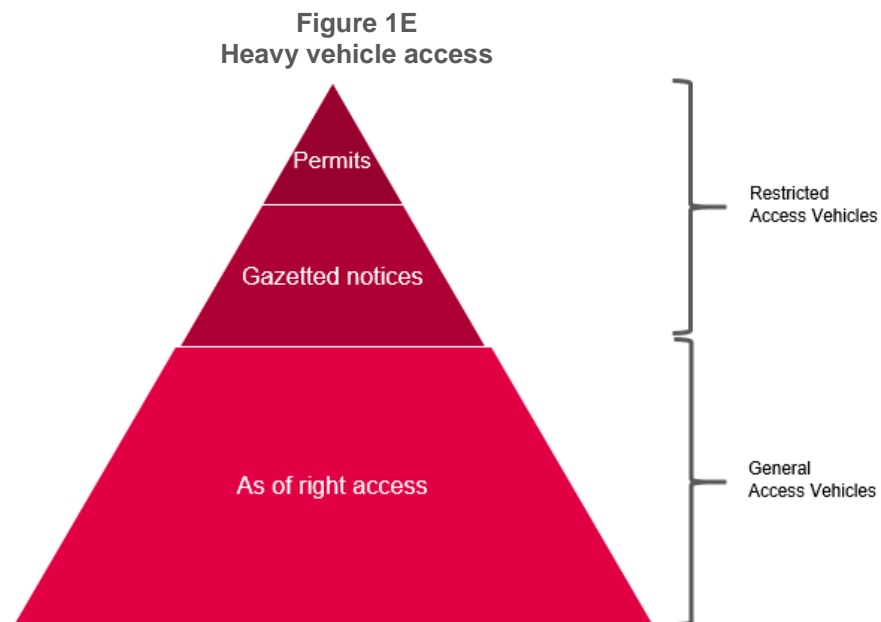
We have included a summary of timeframes relating to the establishment of the NHVR in Appendix D.

Access management

As shown in Figure 1E, the majority of trucks that travel on participating state and territory roads (general access vehicles) do so 'as of right'. In other words, they do not require any form of permit or approval.

Restricted access vehicles (RAVs) may travel on restricted portions of the road network due to their dimensions and/or mass, and may be subject to conditions on their use of the road network. Some RAVs travel under a notice on specified routes and under specified conditions.

This audit focuses on RAVs that may only travel on the road network under a permit issued by or on behalf of the NHVR.



Note: Some permits are issued based on pre-approvals granted by road managers and the rest are decided on application.

Source: Queensland Audit Office

Pre-HVNL

Each state and territory required RAVs to obtain a permit to operate on public roads. They had their own laws and policies (published or unpublished) for issuing permits for access for RAVs, including the duration of the permit.

Generally, the minister, transport department or roads agency in each state or territory was the entity legally responsible for making access decisions, including making a notice or issuing a permit. However, the actual requirements and processes for obtaining a permit were not the same in each state and territory. We have provided information about these arrangements in Appendix G.

Post-HVNL

Intended arrangements — participating states and territories

The key elements of the proposed arrangements for granting access are:

- an online one-stop-shop for access applications, allowing operators to submit a single application for routes that cross jurisdictional boundaries (streamline)
- decision-making guidelines for access providers (consistency)
- case management capability within the NHVR to manage the decision making process and find opportunities to maximise agreement on access (consistency)
- obligations on the NHVR to provide a statement of reasons to the operator if an application is refused (transparency)
- an access application review process for certain decisions (transparency).

Importantly, these changes do not affect who is responsible for making access decisions, namely, the relevant road owner, or other affected entity (e.g. utility).

NHVR managing access

On 10 February 2014 (the date for going live), the NHVR became responsible for receiving and processing access permit applications for participating states and territories as the new access management provisions in the HVNL commenced.

On this date, the various government entities that had previously been responsible for issuing permits in their respective state or territory transferred to the NHVR any applications that they had not finished processing. Those entities ceased being responsible for access permits from that date and became responsible for providing consent for their roads only.

By the end of the first week after going live, operators had complained to government about their concerns that the NHVR's access management system and processes were not working well. As a result, the NHVR had to delegate authority back to individual jurisdictions to process certain categories of applications. The state and local government entities previously responsible for access management had to re-establish their systems and recommence processing permit applications. This time they had to work under the new laws, not under the legislative regime that had existed in their jurisdictions before the commencement of the HVNL.

Current arrangements

As shown in Figure 1F, the NHVR continues to issue permits for some journeys and for some classes of vehicle and has delegated responsibility for others. The current interim arrangements are not consistent across participating states and territories.

For example, for journeys within NSW, the NHVR has delegated responsibility for issuing permits to the state road authority as well as each of the 173 local government road managers. However, operators may choose to apply instead to the NHVR for a permit. Whereas for journeys within Queensland, the DTMR holds the delegation to issue permits, and has to first gain consent of the relevant road managers as well as the Queensland Police Service (QPS) before doing so.

Figure 1F
NHVR issued permits

	Class 1 permit	Class 2 permit	Class 3 permit	Higher Mass Limits permit
Journeys across borders	✓	✓	✓	✓
Journeys within Qld	☒	✓	✓	✓
Journeys within NSW*	✓	✓	✓	✓
Journeys within Vic	☒	✓	✓	✓
Journeys within SA	☒	✓	☒	✓
Journeys within ACT	☒	✓	☒	✓
Journeys within Tas	✓	✓	✓	✓

Note: ✓ - Processed by NHVR ☒ - Processed by other jurisdictions

* In NSW, operators can apply for Class 1 and 3 permits through state agency and individual councils or they can apply through the NHVR. We have defined the classes of vehicles in Appendix E.

Source: Queensland Audit Office extracted from National Heavy Vehicle Regulator website on 2 December 2015

Queensland-specific arrangements

The NHVR has delegated authority to the DTMR to issue Class 1 permits within Queensland. This means that for travel within Queensland, operators of class 1 vehicles may apply to the DTMR for a permit and the DTMR is responsible for obtaining consent from each relevant road manager along the route.

The QPS no longer has responsibility for issuing permits. However, one of the Queensland-specific departures from the HVNL is that the QPS is now required to provide consent for prescribed categories of Class 1 permits and it retains responsibility for assigning police escorts to certain oversize vehicle movements.

Future arrangements

Following a review of the issues experienced in February 2014, the NHVR established a remediation project, now known as the AccessCONNECT program. This program aims to improve the NHVR's access management systems and processes and re-establish its capacity to process all access permits. It will also deliver new frameworks, tools and guidelines to assist permit and consent decision-makers to make timely and consistent decisions.

In May 2014, the TIC allocated \$4.2 million for the AccessCONNECT program. In May 2015, the TIC approved an additional \$4.2 million bringing the total investment to \$8.4 million. The NHVR has not communicated an end date for this program of work.

In June 2015, the NHVR engaged a consultant to conduct a 'health check' on the program. The consultant identified a number of issues and made observations about the health of the program, and made twelve specific recommendations to address those issues. The recommendations were about:

- governance
- planning and progress
- resourcing
- cost management.

Audit objective, method and cost

The objective of the audit was to examine whether the NHVR has addressed the cause of the access management failure in February 2014, and is now on track to deliver its access management responsibilities.

The audit addressed this objective through the following sub-objectives:

- the reasons for the NHVR's failed implementation of access management in February 2014 are well understood
- the actions being taken to address the 2014 failure will result in access management being delivered as intended

The cost of the audit was \$330 000.

Entities subject to this audit

- National Heavy Vehicle Regulator (NHVR)
- Queensland Department of Transport and Main Roads (DTMR).

Scope and consultation

Implementing the HVNL is a national reform and therefore many parties and levels of government are responsible for its success. However, our audit scope only included the NHVR and the DTMR. We did not audit other state and territory governments and we do not make findings about them, or recommendations to them.

We consulted a number of government and industry stakeholders throughout the course of this audit, including a selection of Queensland local governments. We focused on talking to Queensland based stakeholders but, where relevant, we also spoke with those stakeholders' national bodies. We also spoke with several interstate industry stakeholders. We invited interested parties to make submissions and we considered those submissions in preparing our findings.

Report structure

We have structured the remainder of the report as follows:

Chapter	Description
Chapter 2	assesses where NHVR is today, compared to what was planned through the national heavy vehicle reforms
Chapter 3	examines what went wrong with the implementation of NHVR and the lessons learned
Appendix A	contains responses received on this report
Appendix B	provides key definitions
Appendix C	describes the national transport reforms
Appendix D	shows timeframes to establishing the NHVR
Appendix E	describes the classes of heavy vehicles
Appendix F	provides details on the AccessCONNECT Project scope

2. Access management today

In brief

The 2009 Regulatory Impact Statement to COAG recommended establishing a single, national, statutory entity to regulate heavy vehicles consistently across the nation.

The National Heavy Vehicle Regulator (NHVR) was intended to be a one-stop-shop for the heavy vehicle industry to obtain permits to use Australia's road network. Streamlined arrangements for getting access permits were intended to deliver significant financial benefits over 20 years by minimising the burden on the heavy vehicle industry and reducing duplication and inconsistent access management processes.

Conclusions

The NHVR has not yet implemented the one-stop-shop for access management effectively, so industry operators still face inconsistent heavy vehicle permitting processes and decisions across participating states and territories. The longer it takes to implement the new arrangements, the greater the reduction in overall benefits possible within the 20-year timeframe.

The NHVR is managing the current program of work differently, which shows that it has learnt from mistakes of the past, although some stakeholders are concerned it is taking longer than they expected.

Even when the one-stop-shop is in place, some local government road managers will need more support to make timely and consistent consent decisions so that the NHVR can realise the maximum benefits possible.

Findings

- The NHVR is not delivering a consistent, streamlined access management function as intended — heavy vehicle operators are still required to submit applications to multiple states and territories.
- The access management system the NHVR delivered in February 2014 took approximately 12 months to develop, cost \$9.3 million and, while currently in use, requires significant remediation. As a result, it is only processing 12 per cent of national permits compared to an expected 100 per cent of the volume by now.
- The NHVR has undertaken a health check on the current AccessConnect program and implemented the majority of the recommendations for improvement. However, it has taken more than two years to develop the first system component—and there is no communicated end date for full implementation.
- The current access management arrangements are not meeting the heavy vehicle industry's expectations. They perceive that:
 - the reasons given for refusing access are not always evidence-based
 - the new arrangements have increased the time that some types of permits now take
 - some operators are not obtaining approvals as required, due to delays in approving access permits.

Recommendations

We recommend that the NHVR:

1. improve the maturity of its planning and resourcing by addressing the remaining recommendations identified by recent reviews of the AccessCONNECT program of work. In particular, the recommendations to develop and report on a detailed budget by phase and activity (for each sub-project), monitor project costs against that budget and provide detailed progress reports to the Program Governance Committee, or another appropriate forum
2. monitor and periodically review the reasons given by road managers for refusing consent and assess whether they are consistent, evidence based and clearly explained. Work with relevant entities to provide additional targeted support to any road managers not meeting these requirements
3. monitor and report on data for all permits issued across participating states and territories to identify which road managers are taking longer than others to make consent decisions. Use that data to work with relevant entities to provide targeted support and assistance to those road managers requiring it.

Introduction

The National Heavy Vehicle Regulator (NHVR) was created to administer one set of rules for all heavy vehicles under the Heavy Vehicle National Law (HVNL).

There was to be one single point of contact for heavy vehicle operators to access permits — a one-stop-shop — for all public roads. The NHVR was set up to liaise directly with road managers — state and territory road authorities and local government — to obtain road manager consent for access and issue permits. Under the HVNL, road managers have 28 days in most cases to decide whether to consent or not to a permit request.

In 2011, the National Transport Commission (NTC) estimated the total benefits from the heavy vehicle reforms over the next 20 years to be \$12.4 billion. It expected improved access for heavy vehicles to deliver \$7 billion or 56 per cent of the total benefits.

The benefit estimates assumed all states and territories would implement the HVNL without change. Every exception to the HVNL represents a reduction in potential gains and a likely increase in costs.

The benefits from improving access were to come from:

- minimising the time and cost for the heavy vehicle transport industry in applying for and obtaining a permit
- reducing duplicate and inconsistent access management arrangements across state and territory borders by NHVR undertaking all regulatory functions (except registrations).

In this chapter, we assess whether the NHVR has implemented access management as planned and is therefore on track to achieve the benefits possible. In doing this, we also consider the status of the ongoing access management program of work.

Conclusions

The NHVR will not achieve the full extent of the long-term benefits that these reforms were to deliver through improved access arrangements within the timeframes expected.

This is because the NHVR has not yet reduced the compliance burden on industry — it has not delivered the promised online one-stop-shop and heavy vehicle operators still have to apply to multiple entities for their access permits. It is currently processing 12 per cent of the volume of permits compared to the 100 per cent expected by now — the states and territories are still delivering the remaining 88 per cent.

The NHVR has learnt its lessons and demonstrated it is prepared to delay rollout of the new system if it is not ready. But this has come at a cost: the timeframes have not been communicated, which means some stakeholders are concerned whether the NHVR can effectively plan and deliver the new system and processes.

Industry's perception is that it is waiting longer for some permits now than it did previously, which is resulting in some operators choosing to by-pass permit requirements. This means that those operators could damage road infrastructure or pose risks to public amenity or safety. Industry is also concerned that road managers refuse some access permits without evidence of those risks.

The NHVR needs to improve monitoring and reporting on access permitting timeframes and work with relevant entities to provide additional targeted support to assist those local governments that are not making consistent, evidence-based consent decisions in a timely way. Without this support, the NHVR will not deliver the expected benefits.

One-stop-shop access permit system

The reforms envisaged the time and cost to industry to obtain a permit would reduce under the HVNL by an online one-stop-shop for access applications. Heavy vehicle operators were to submit online a single application for all routes including those that crossed state and territory boundaries — instead of having to submit multiple applications to the relevant states and territories. The NHVR was to liaise directly with road managers (both state and territory road authorities and local government) to obtain road manager consent for access and issue permits.

The one-stop-shop was intended to drastically reduce the time and cost needed to apply for and assess a permit.

The NHVR is not delivering a consistent, streamlined access management function as intended.

This means that heavy vehicle operators are still required to submit applications to multiple states and territories.

In 2014–15, the NHVR and the various states and territories issued an estimated 78 510 heavy vehicle access permits. The NHVR issued 12 per cent of those permits and the states and territories issued 88 per cent.

Access Management System

The NHVR planned, developed and implemented the Access Management System (AMS) from early 2013 until February 2014. The NHVR intended the AMS deliver a one-stop-shop for access applications.

On 10 February 2014 (the date for going live), the new access management arrangements under the HVNL commenced.

By the end of the first week after going live, the NHVR's AMS and permit processes had failed to meet industry's needs. Industry operators complained to some of the state and territory governments and the NHVR had to delegate responsibility for issuing the majority of access permits to the various participating states and territories.

The NHVR conducted an internal review of what went wrong and an external consultant also reviewed the AMS. The external review found that certain aspects of the AMS were not fit for purpose. While currently in use, the AMS requires significant remediation. As at 10 February 2014, the NHVR had taken approximately one year and spent \$9.3 million on the AMS. This amount does not include other costs involved in the overall project. While the NHVR is still using the AMS to process permit applications, it has assessed that it will reach the end of its useful life in 2016–17, which is less than the expected useful life (five years) originally intended.

The NHVR established a remediation project, which it is now implementing as a program of work, known as the AccessCONNECT Program.

New AccessCONNECT program of work

The AccessCONNECT Program scope includes two projects — the System Enhancement Project and the Permit Improvement Project, each with a number of sub-components. The NHVR has designed the program to address the weaknesses identified in the reviews of the AMS system. The deliverables of the two projects are:

- System Enhancement Project — new information system components to replace the AMS and improve access permit processing
- Permit Improvement Project — new frameworks, tools and guidelines to assist permit and consent decision-makers to make timely and consistent decisions.

We have outlined more information about these two sub-projects in Appendix F.

The NHVR is using a flexible project management approach to develop its new access management system and processes. This means it is adjusting the program's schedule as it undertakes project activities. It has not communicated a specific date for each deliverable or a program end date. It also has not communicated a transition plan for taking back access permit processing from the states and territories.

The NHVR allocated \$4.2 million to the AccessCONNECT Program in 2014–15. In May 2015, the Transport Industry Council approved an additional \$4.2 million in 2015–16, taking the total investment to \$8.4 million over two years.

The NHVR started work on the remediation project in April 2014. In January 2015, the NHVR expanded the scope to include the permit improvement project and called it the AccessCONNECT program. The NHVR intended to complete development of the first component of the System Enhancement Project — the customer portal by the end of January 2016. However, it has delayed implementation, and commenced a staged rollout and anticipates completion by the end of September 2016, nearly two and a half years after the program commenced.

Health check review

Recognising the need to learn from the original implementation failure, in June 2015 the NHVR engaged an external consultant to review the AccessCONNECT program of work. The purpose of the review was to provide the NHVR with a view on the overall health of the AccessCONNECT program.

The health check assessed the program of work against fundamental aspects of good program management. Even though the new program had been running for more than 12 months, the consultant identified significant aspects of good program management that were missing. The health check report made a number of observations and 12 specific recommendations for improvement. The NHVR has recently addressed most of these, but the NHVR:

- has not developed a detailed budget by phase and activity (for each sub-project) and is therefore not monitoring project costs against that detailed budget and providing regular reports of this monitoring to the Program Governance Committee, or another appropriate forum
- is not providing sufficiently detailed reports to the Program Governance Committee and the NHVR's chief executive officer against detailed project plans for both sub-projects to provide a clear understanding of progress made (for each phase and activity).

Australia-wide permitting arrangements

The current permit processing arrangements are not consistent across Australia. The NHVR now issues permits for some journeys and for some classes of vehicle and has delegated responsibility for others. These inconsistent arrangements will continue until the NHVR develops and implements its new one-stop-shop permit systems and processes and cancels the delegations it has given to the participating states and territories.

For journeys that cross state borders, operators can apply to the NHVR, which will seek consent from each of the relevant state and territory road authorities and any local government road managers along the route.

For purely intra-state or intra-territory journeys, different arrangements apply.

For example, for journeys within:

- New South Wales — operators can apply for Class 1 and 3 permits through the state road authority as well as each of the relevant local government road managers along the route or they may apply instead to the NHVR for a permit for the whole journey.
- Queensland — the Department of Transport and Main Roads (DTMR) holds the delegation to issue Class 1 permits, and has to first gain consent of the relevant road managers as well as the Queensland Police Service (QPS) before doing so.
- South Australia — operators must apply for Class 1 and 3 permits through the state road authority, which, like DTMR liaises with the relevant local government road managers to get consent for their roads along the route.

Tasmania is the only state in which operators can apply to the NHVR for access permits for all journeys and all classes of vehicle.

This means that across participating states and territories, the NHVR has not reduced all of the duplication that previously existed and is still not delivering the consistent, streamlined access permitting arrangements intended. In states like Queensland and South Australia, there is some reduced duplication for intra-state journeys as the road authorities in those states take responsibility for obtaining consent from the various local government road managers along the route.

The Western Australian government decided, at an early stage, not to participate in the heavy vehicle reforms. The Northern Territory government also later decided not to participate. These decisions represent significant departures from the 'one rule book' model, which will reduce the long term benefits that the HVNL intended to deliver.

Industry expectations of access management

The industry stakeholders we interviewed advised that they are still supportive of the concept of the NHVR administering one set of rules for all heavy vehicles under the HVNL.

However, industry expected that the new access arrangements would result in consistent, evidence-based permits issued in a timely way.

The industry stakeholders we interviewed expressed concern about the reasons given for refusing access and the perception is that they are not always evidence-based. They also consistently told us their view that the new arrangements have actually increased the time that some types of permits now take.

Industry stakeholders described the impact in terms of financial costs from lost productivity and contractual penalties while waiting for road managers to grant consent before the NHVR and/or the relevant state or territory road authority can issue permits. Many stakeholders expressed frustration that government does not seem to understand and be able to respond to the demands of industry in a fast-paced economic environment.

Consistent, evidence-based and transparent access decisions

One of the objectives of the Council of Australian Government's Intergovernmental Agreement on Heavy Vehicle Reform was seamless national regulation of heavy vehicles that achieves the same outcome in the same circumstances. This requires road managers to make access decisions based on evidence of risk, transparent and consistent across and within participating states and territories.

Road infrastructure

The reforms did not take away the role of road owners or managers to decide whether to allow heavy vehicles access to their road networks, with or without conditions. Road managers are still responsible for funding and maintaining their roads.

The performance of Australia's overall freight network depends on local road connections from primary producers to key industry and commercial centres. The majority of the freight task starts and finishes on a local government road.

Local governments are responsible for approximately 645 000 kilometres, or 80 per cent of the total road network in Australia, of which 400 000 kilometres is unsealed.

Road manager's consent

The NHVR or its delegates can only issue an access permit under the HVNL if each relevant road manager has given consent. There is no provision for the NHVR to issue a permit based on a consent provided previously. This means that, for every permit application, the NHVR must seek consent from every road manager involved.

Under the HVNL, a road manager must give consent to the NHVR or its delegates to issue a permit if satisfied that:

- the heavy vehicle and load's mass or dimension will not, or is unlikely to:
 - cause damage to road infrastructure; or
 - impose adverse effects on the community arising from noise, emissions or traffic congestion or from other matters stated in approved guidelines; or
 - pose significant risks to public safety arising from heavy vehicle use that is incompatible with road infrastructure or traffic conditions; or
- it is possible to set road conditions or travel conditions that will avoid, or significantly minimise:
 - any damage or likely damage; or
 - any adverse effects or likely adverse effects; or
 - any significant risks or likely significant risks.

This requires each road manager to consider carefully each permit application that covers a portion of its roads to assess these risks and any conditions it may need to impose to mitigate them. In some cases, this may require a technical or engineering assessment.

Right of review

If the NHVR refuses to grant a permit, it must give the applicant an information notice. If the NHVR's decision to refuse the application for a permit is wholly, or partly, due to a relevant road manager refusing consent, the information notice must include a written statement that explains the road manager's decision. The information notice must also advise the applicant of their right to apply for an internal review of the road manager's decision, or an external review of the NHVR's decision. This requirement intends to provide transparency.

Evidence-based decisions

Industry stakeholders told us their perception that some permit decisions are inconsistent. For example, one scenario many stakeholders raised is that a road manager refuses consent for a particular heavy vehicle on a specific route when the same road manager has previously approved an identical vehicle on that same route.

Industry stakeholders also mentioned their perceptions that some permit decisions are not transparent. For example, they told us that a road manager might refuse consent because the route includes a particular bridge, without explaining how the heavy vehicle and load exceeds the bridge's capacity.

There may be legitimate reasons for refusing access for certain types of vehicles on particular parts of the road network, including the age, construction and maintenance of bridges on those roads.

The local government associations that we spoke to advised that, in their view, local governments are generally under-resourced to perform their access management responsibilities. They also may not have the expertise readily available to make consent decisions that often require a technical assessment of risks to the relevant infrastructure on those roads.

The Queensland local governments we interviewed confirmed this view. They reported difficulties in recruiting and retaining engineering expertise in regional and remote local government areas.

The NHVR's AccessConnect permit improvement project aims to improve the consistency and transparency of road manager consent decisions by developing tools and guidelines for road managers and applicants and a standard set of permit conditions.

It is too soon to say whether the permit improvement project will resolve industry's concerns. The NHVR needs to monitor and periodically review the reasons given by road managers for refusing consent and assess whether they are consistent, evidence-based and clearly explained. Where the NHVR identifies road managers not meeting these requirements, the NHVR needs to work with relevant entities to provide road managers with additional targeted support.

Permit issuing time

The HVNL provides that, in most cases, a road manager must decide to give or not give consent for heavy vehicles to access its roads within 28 days after the NHVR (or delegate) asks for consent. Failure to comply does not allow the NHVR to penalise the road manager or issue the permit without consent.

There is no holistic data on the time that road managers across participating states and territories take to process consent requests, so we are unable to confirm whether permits are taking longer than 28 days. Even if decision-makers were achieving this timeframe, it would not meet industry's expectations that they approve permits more quickly.

Industry stakeholders consistently told us that the 28-day timeframe for state and territory road authorities and local government road managers to grant consent is their main concern about the new access management arrangements. They believe that decision-makers consider it a target to reach, and not a maximum allowable time.

Before the HVNL, operators were required to obtain approval to access the road network from all road managers along the chosen route. However, industry stakeholders told us that many local government road managers were not involved in the access approval arrangements. This is because, in some cases, operators only sought approval for the state and territory roads or sought approval from local government informally i.e. verbally from Council staff or through the local police; or not at all. There is no data on the extent to which the heavy vehicle industry complied with the statutory access requirements pre-HVNL.

The introduction of the HVNL means that for journeys involving local government road managers, permits may now take longer to issue due to the need for the NHVR or its delegates to seek and wait for consent from each local government before issuing permits.

Most industry stakeholders we spoke to acknowledged that NHVR and/or the road authority in their state or territory process some permits in a timely manner. They also understand that some local government road managers make their consent decisions faster than others do. There may be legitimate reasons for some permits taking longer, including the need to consider risk. However, the heavy vehicle industry's perception is that some permits are taking too long to meet theirs and their customers' needs.

As a result, industry stakeholders and some of the Queensland local governments we interviewed expressed concern that some heavy vehicle transport operators are prepared to 'run hot' (i.e. travel without a permit) rather than wait for a permit. There is no data on the level of non-compliance with the current access management requirements.

The NHVR has recently released performance heat maps on its website. These heat maps are only indicative of the performance of local governments for the permits that the NHVR currently issues (an estimated 12 per cent of all permits) and they do not include permits issued by the states and territories under delegation. However, they are a step in the right direction.

Our consultation with industry stakeholders and Queensland local governments identified the following reasons that some road managers take longer than others to make consent decisions:

- they have not dedicated resources to the task — it is not their core business and so, if for instance the engineering expertise is not available, the consent decision has to wait until the engineer returns
- they have not delegated decision-making to local government staff—the decisions occur at full Council meetings, which may occur more than 28-days later than the consent request.

The NHVR's AccessConnect permit improvement project aims to improve the timeliness of road manager consent decisions by developing a risk-based framework to automate simple decisions. The NHVR will also develop tools and guidelines for road managers and applicants. It is too soon to say whether the permit improvement project will resolve industry's concerns about the time, they wait for a permit.

The NHVR needs to be able to monitor and report on data for all permits issued across participating states and territories and identify which road managers are taking longer than others to make consent decisions. That data will enable the NHVR, state and territory road authorities and local government associations to provide targeted support and assistance to those road managers requiring it.

Recommendations

We recommend that the NHVR:

1. improve the maturity of its planning and resourcing by addressing the remaining recommendations identified by recent reviews of the AccessCONNECT program of work. In particular, the recommendations to develop and report on a detailed budget by phase and activity (for each sub-project), monitor project costs against that budget and provide detailed progress reports to the Program Governance Committee, or another appropriate forum
2. monitor and periodically review the reasons given by road managers for refusing consent and assess whether they are consistent, evidence based and clearly explained. Work with relevant entities to provide additional targeted support to any road managers not meeting these requirements
3. monitor and report on data for all permits issued across participating states and territories to identify which road managers are taking longer than others to make consent decisions. Use that data to work with relevant entities to provide targeted support and assistance to those road managers requiring it.

3. Lessons for the future

In brief

The Council of Australian Governments initially planned for the NHVR to be fully operational by the end of December 2012. The transport ministers from the participating states and territories later revised the date for the NHVR to commence the new access management arrangements to July 2013 and then September 2013.

The NHVR began processing access permits from 10 February 2014.

Conclusions

The NHVR has not implemented the one-stop-shop access management system as intended because it went live before it was ready. As a result, it has denied industry the full benefits of the new law and not used public resources as efficiently as it could have.

The NHVR Board should have done more to alert government to the ramifications of implementing the new arrangements. It highlighted the risks but did not do enough to mitigate them.

There are some lessons for all entities implementing complex reforms. Those lessons include the need to:

- allow sufficient time and resources for implementation
- ensure engagement is effective to understand and manage the change required
- ensure decision-makers understand the impact unmitigated risks have, on successful implementation if not well managed.

Findings

- The implementation timeframes the NHVR agreed to were overly ambitious. They did not allow sufficient time to design and deliver the new access management arrangements successfully.
- The NHVR's source of income was uncertain—either some of the states and territories did not pay their share of the costs in the timeframes agreed or they provided loans instead of grants, which the NHVR had to repay.
- The NHVR did not engage stakeholders and manage change effectively. It did not result in:
 - the NHVR staff being ready to deal with the volume and complexity of permit requests in a manner that met stakeholder expectations
 - local governments being ready and able to play their part in the new access management arrangements
 - stakeholders being confident that the NHVR was working effectively with state and territory road authorities to deliver the reforms.
- The NHVR Board advised the Responsible Ministers on 22 January 2014 that it would be ready to go live on 10 February 2014 despite having information that showed before that date the NHVR still needed to:
 - complete some critical activities including, finalising reports, business volume testing, security and vulnerability testing and recruiting and training all access management staff
 - fully implement all outstanding readiness review recommendations to reduce the risk of failure, including business and technical cutover planning, detailed operational planning, assessing road manager readiness and finalising the stakeholder engagement plan.
- Stakeholders continue to perceive that NHVR and the Department of Transport and Main Roads (DTMR) are not working effectively together to deliver the reforms despite recent efforts to collaborate better.

Recommendations

We recommend that the NHVR and the DTMR:

4. work together and share information to:
 - assist the NHVR in achieving the objectives of the Heavy Vehicle National Law
 - avoid any potential duplication of effort in system development
 - improve industry stakeholder's confidence that the DTMR is committed to the heavy vehicle reforms.

Introduction

The Council of Australian Governments (COAG) established that the NHVR had to be operational by 31 December 2012. But there were delays in passing the *Heavy Vehicle National Law Amendment Bill* (the Amendment Bill) which eventually passed in February 2013.

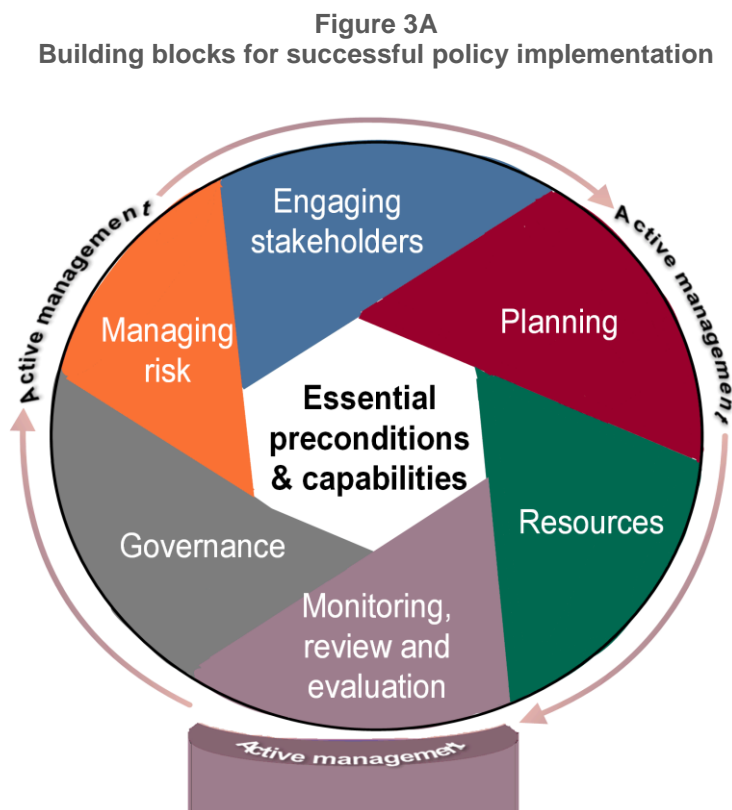
The transport ministers initially agreed to a 1 July 2013 NHVR operational start date. They then agreed to a revised date of 1 September 2013 to allow sufficient time for the NHVR and stakeholders to be ready to start.

The new access arrangements finally commenced on 10 February 2014, 12 months after the Amendment Bill passed. Four days later some of the state and territory governments requested the NHVR delegate responsibilities to the states and territories.

The Australian National Audit Office's (ANAO's) Better Practice Guide: Successful Implementation of Policy Initiatives provides guidance to public sector entities implementing policy. It states that success will come from considering implementation at every stage of policy development, having strong and ongoing leadership, an inclusive approach, sound processes and using resources effectively.

Where implementation considerations do not receive sufficient and early attention, problems may arise in implementing and delivering policy. These problems may include sub-optimal delivery methods; over-ambitious timeframes; resources not being available when required; inappropriate skills or capability for the initiative; and insufficient consultation and contingency planning.

Although the guide refers to the policy design stage, policy design activities are outside the scope of this audit. The focus of the audit is on the implementation of the policy—in this case, the Heavy Vehicle National Law (HVNL). The guide provides an overview of the six key building blocks for successful policy implementation. Figure 3A shows those building blocks.



Source: Queensland Audit Office—adapted from ANAO's Better Practice Guide: Successful Implementation of Policy Initiatives, October 2014

In this chapter, we examine what went wrong during and, therefore, what lessons we can learn from implementing the COAG's 2009 decision to establish the NHVR to administer the HVNL.

We look at the effectiveness of NHVR's program to implement the heavy vehicle access management aspect of the new laws and specifically the following elements of program management:

- planning and resourcing
- engaging stakeholders and managing change
- governing and managing risks.

Conclusions

The NHVR Board made the decision to go live before it was fully ready at a time when there were financial concerns and external pressure to roll out access management. The NHVR was not ready because:

- it poorly planned, designed and tested its system and processes to meet overly ambitious timeframes.
- not all local government road managers were well prepared to process the volumes of heavy vehicle requests relating to their roads.

The NHVR did not employ all staff in time to be properly trained and effective when the system commenced because of the tight implementation timeframes and uncertain funding arrangements.

The NHVR did not engage effectively and manage the change required by local government road managers who were critical players in the success of the new arrangements. Some had not been involved in processing permits before the HVNL, despite the previous road access laws requiring them to. As a result, the NHVR did not fully understand the level of impact the new arrangements would have on them, and the flow-on effect on the NHVR's ability to process permit applications in a time that met industry's expectations.

The Department of Transport and Main Roads (DTMR) and the NHVR have not always been working effectively together to deliver the new improved access management arrangements—this continues to erode stakeholder confidence. However, they have taken recent steps towards building a more collaborative relationship.

Planning and resourcing

Planning for successful implementation involves getting the implementation strategy, plan and design right before beginning time-critical and expensive implementation activities. Unrealistic timeframes can increase the cost and risk of a project, or lead to its failure.

Effective implementation requires the right mix of skills and resources to achieve expected policy outcomes. This includes sufficient staff who are well trained and prepared.

The delayed passage of the Amendment Bill resulted in a shorter timeframe for the NHVR to plan and prepare for going live. There were some critical amendments to the proposed HVNL, which had the effect of increasing the level of involvement that road managers and, in particular, local governments have in the access decision-making process. The amendments changed what the NHVR had to deliver in terms of the Access Management System (AMS) and associated policies, processes and guidelines.

The NHVR was running out of funding to keep the implementation project going so it had an incentive to go live sooner rather than later.

The NHVR agreed to an overly ambitious timeframe, which did not allow it sufficient time to plan and deliver the project effectively. It did not have enough time before going live to:

- adequately train all required staff
- complete a comprehensive dress rehearsal including system load and volume testing and fix the known issues after user acceptance testing
- understand the time it would take to identify the road managers who needed to give consent before permits could be issued
- bed down and test the business rules
- undertake rigorous competency assessment following case officer training
- locate experienced officers from each participating state and territory at the NHVR to assist inexperienced staff.

Implementation timeframes

The NHVR had to revise and finalise the implementation plan, resourcing, access management processes and system design in early 2013 when the states and territories finally agreed on all the details of the new access management arrangements. At this time, the NHVR was working towards delivering the new arrangements from 1 July 2013, just over six months later.

Given the extent of change management required and the need to revise systems requirements, processes and guidelines to implement the amendments to the law, this was an ambitious target date. It was reasonable to expect the NHVR would need to extend the date for going live. Instead, it sought several short-term extensions.

By the end of 2013, the ongoing delays and extensions were starting to affect the NHVR's credibility with stakeholders. The NHVR Board asserts that it was not under external pressure to go live in February 2014. However, some state and territory governments and the Australian government were encouraging the NHVR to deploy the new access management system.

When the new access management arrangements commenced and the AMS went live on 10 February 2014, the NHVR failed to deliver a streamlined access permitting process that met industry's needs. Once the NHVR had delegated responsibilities back to the states and territories, it considered factors that may have contributed to the failed implementation. It identified numerous problems with the AMS and associated processes, including:

- the NHVR website was unstable and there were system time-outs
- the application process was clunky—it was not clear how operators could apply for a permit, and forms need improving
- there was too much manual processing—data entry was required at multiple points and there was no self-validation
- critical systems had been de-scoped
- operators could not track their permits through the system
- performance reporting was inaccurate
- the NHVR's phone infrastructure did not handle the escalating call volumes and there were insufficient call centre operators

- data limitations meant that call centre operators could not respond fully to enquiries
- case officers had not previously worked in heavy vehicle permit processing and they did not have enough decision-making guidelines to assist them
- case officers had gaps in skills and competencies and had not been trained to handle difficult customers
- there were not enough subject matter experts available.

All of these problems point to poor planning in terms of system testing, preparation and training of staff.

Funding arrangements

In the Intergovernmental Agreement, COAG agreed that the Commonwealth would fund establishing the NHVR and providing basic information technology functionality and the states and territories would pay the cost of transitioning to the HVNL and associated requirements. Despite this agreement, the NHVR's source of income was uncertain—some of the states and territories either did not pay their share or provided loans instead of grants.

The NHVR Board and the NHVR's former chief executive officer reported concerns about the NHVR's financial position in the lead up to going live.

At its meeting on 20 January 2014, the NHVR Board noted the former chief executive's budget update as follows:

To successfully achieve go live and sustain operations the NHVR requires the full amount of additional funding sought for 2013-14 to *remain solvent* and requires certainty of funding for the 2014-15 financial year.

On 22 January 2014, the NHVR Board advised the Responsible Ministers that the NHVR would be ready to go live on 10 February 2014 but also highlighted its financial issues. For example:

The NHVR has a stringent focus on minimising expenditure and managing cash levels given the irregular and late funding contributions from participating states and territories. The majority of this funding has been provided as loans and, in the case of one state, with an interest component.

All of this has been a most unwelcome feature and a major distraction to NHVR operations since 21 January 2013 and preparations for 10 February 2014. The Board has regularly expressed concern regarding the viability of the NHVR if the participating states and territories do not meet their funding commitments in a timely way and this concern has been conveyed to Ministers.

A number of stakeholders we spoke to told us that the NHVR had significant funding issues. They believed that this contributed to the decision to go live on 10 February 2014, before the systems were fully ready.

The NHVR Board asserts that financial concerns did not factor into the decision to go live in February 2014.

Engaging stakeholders and managing change

Engaging stakeholders is an important step in testing whether an initiative is likely to work in practice. Doing this early allows for a greater range of solutions to emerge and to improve the chances of successful implementation. Planning should allow adequate time and resources for this to occur—including identifying the funds needed to undertake engagement activities.

The HVNL requires the NHVR to work directly with state and territory road authorities and local government road managers to determine which vehicles may operate on their roads and the conditions under which they will operate.

For this reason, state and territory road authorities and local governments are significant stakeholders in implementing the new access management arrangements. The heavy vehicle industry and its various representative bodies are also important stakeholders.

From 2010–11 until going live, the NHVR Project Office, and later the NHVR, engaged with different levels of government and industry about the new access management functions.

This engagement was not effective because, before going live, the NHVR did not:

- fully understand the volume of heavy vehicle movements, particularly on local government roads, because some heavy vehicle operators were not obtaining approval to access local roads, despite the previous law requiring them to
- fully appreciate, or address the risk that local government road managers did not have enough staff with the right skills to process consent requests
- fully appreciate the impact of the local government delays in responding to permit requests on its ability to meet industry's needs.

The NHVR's engagement also did not achieve the extent of change required. It did not:

- provide local government with enough support and sufficiently detailed information so that they were ready when the access management functions commenced
- manage stakeholders' expectations about the changes to the HVNL that arose during negotiations on the draft bill.

Understanding the heavy vehicle industry

Local government's involvement in access approvals pre-HVNL

The National Transport Commission's (NTC) consultation, in 2011, on the draft HVNL Bill and Regulatory Impact Statement highlighted a significant risk about the impact that the HVNL would have on the local government sector: specifically, that local government would not be ready and able to respond to permit consent requests from the go live date.

The Local Government Association of Queensland's (LGAQ) submission on the draft HVNL Bill advised that many rural and remote councils would not have qualified resources to perform consent assessments. The LGAQ argued that:

The proposed 28 days to decide access requests is unreasonable and will be practically unachievable without the provision of resources and funding to assist councils conduct route assessments.

Industry stakeholders told us that operators had a practice of obtaining consents for heavy vehicle access on local government roads informally: with the verbal approval of local government staff or through their local police office; or not at all. They reported that some operators might have assumed that a permit from the state or territory road authority also covered local government roads; and some may not have been aware of the need to obtain local government approval.

Local government representative bodies and the Queensland local governments that we interviewed confirmed that many local governments did not understand the volume of heavy vehicle movements on their roads before the HVNL commenced.

Local government's involvement in access permits post-HVNL

In August 2013, the NHVR identified that that, once the HVNL commenced, it would receive more than 50 000 permit applications each year involving five or more road managers. The NHVR was on notice that this would involve a significant level of activity for local government road managers.

By December 2013, two months before going live, the NHVR was aware that local government would struggle to deal with the levels of permit consent requests that would arise from implementation of the HVNL. The NHVR's former chief executive officer advised the NHVR Board that the key issue for the local government was their preparedness for the increasing volume of permit applications under the HVNL. The board papers also noted that:

The HVNL will create a new level of impact on local government resources in dealing with permit volumes not previously seen and in turn likely create pressure on overall permit approval timeframes.

Managing change and expectations

Local government readiness for going live

Industry stakeholders told us that, in their opinions, the NHVR did not provide sufficient guidance and support to local government before going live. The stakeholders we interviewed stated that the NHVR provided some general information about the access management arrangements and the HVNL through its website and local government associations. However, they said that the NHVR did not provide sufficient detailed information about how the arrangements would work in practice.

In October 2013, the NHVR assessed the issues facing local government. It identified that some local governments were not ready and able to process consent requests under the HVNL. But it did not do enough to make sure that those local governments had the support and information they needed to play their part in the new process.

Queensland local governments consistently told us that they were not ready to go live on February 2014. Some did not know that they would be required to grant consent for access to their roads, as they had not been involved in that process previously. Some told us that, by January 2014, they were aware of the impending changes but it was too late for them to be ready.

The need to obtain consent from multiple road managers also created an administrative burden on the NHVR staff, who were required to receive, assess and process permit applications from the go live date. The NHVR did not ensure that its new access management processing staff were all fully trained and ready to process access permits from day one.

Industry expectations

Industry expected that the time to obtain a permit would reduce under the HVNL. During negotiations on the draft HVNL Bill, several critical amendments had the effect of reducing the extent to which the new access management arrangements could meet this expectation.

One amendment removed a provision that would have allowed the NHVR to issue permits without first seeking consent from a road manager every time, if that the road manager had previously consented to access, for a similar vehicle on the road/s concerned.

Another amendment was to extend the factors that road managers need to consider when deciding whether to consent to a particular permit being granted to include safety. The NHVR is also required to consider safety issues when granting the permit, which is a duplication in responsibilities.

Combined, these amendments mean that access permit applications now take longer to assess and process than originally intended.

The NHVR was on notice, by February 2013 when the Queensland Parliament passed the HVNL Amendment Bill, that these amendments would affect its ability to deliver the overall improved access productivity benefits that industry expected. But its engagement failed to adjust those expectations.

Only four days after the new access arrangements commenced, industry was concerned and complained that the NHVR was not meeting expectations about permit processing timeframes. This is despite the HVNL allowing the NHVR 28 days to process permit applications. Industry's concerns resulted in participating state and territory governments requiring the NHVR to delegate permit processing to the states and territories while it fixed its systems and processes.

Better engagement with industry was required to ensure that it fully understood the HVNL as ultimately enacted.

Collaborating on the future access management system

Almost all industry stakeholders we interviewed told us their perspective is that some state and territory road authorities were 'not on board' with the reforms and did not want the NHVR to succeed. In support of this view, stakeholders reported that the state and territory road authorities and, in particular, the DTMR deliberately held back and then 'dumped' a large number of aged, complex transitional applications on the NHVR in the first week after going live, which put the NHVR's new system under significant pressure and caused it to fail. Evidence does not support that this perception is well founded. In the first week, the states and territories handed the NHVR less than 15 per cent of the total permit applications that the NHVR was expecting to receive in a week and most of them were only between three and six days old.

Stakeholders continue to perceive that the NHVR and the DTMR are not working effectively together. This makes it critical that the DTMR and the NHVR work well together now and in the future to deliver the access management reforms.

Both entities have projects running to develop new information systems with overlapping functionality. The DTMR is developing and implementing a new heavy vehicle access management system (HVAMS). The DTMR developed the business case for this project in 2013. The DTMR estimates that the HVAMS will cost a total of \$8.2 million.

The project scope includes managing access permit applications, a function that the DTMR is undertaking as an interim arrangement under delegation from the NHVR. It also includes managing the access consent process for the DTMR controlled roads.

The NHVR's AccessCONNECT program will deliver new components to improve its access management permitting system.

Despite the considerable overlap between the two projects the DTMR has not, until recently, consulted with the NHVR about its project. This aligns with stakeholders' perceptions that the relationship between the two entities is not strong.

The DTMR has delayed the HVAMS project—the DTMR originally intended to implement its new system in May 2015 but has now extended it to June 2016. This is likely to coincide with the NHVR's release of the first element of the AccessCONNECT project—the customer portal. Given the obvious potential to cause confusion within the industry in Queensland, it is critical that the DTMR and the NHVR work closely to coordinate release and communications about their respective systems.

We acknowledge that DTMR and the NHVR have taken some recent steps to develop a more collaborative relationship by signing a memorandum of understanding about the HVAMS and AccessCONNECT projects.

The NHVR has also recognised the need to work collaboratively with the local government sector. For example, on 11 May 2016, the NHVR and the LGAQ entered into a memorandum of agreement to affirm their joint commitment to achieving a high standard of heavy vehicle regulatory service in Queensland. The memorandum notes that collaboration between the NHVR, the LGAQ and local governments is critical to improving the safety and productivity of Queensland's road freight network. It provides for the appointment of a dedicated liaison officer to work directly with and support local governments.

The DTMR has also been working with the LGAQ since early 2015, to educate local governments on the safety, productivity and efficiency benefits of Performance Based Standards vehicles; and provide training on tools that can assist in assessing suitability of routes for access by these vehicles.

Governing and managing risk

Sound governance arrangements are critical to successful implementation. Governance refers to the arrangements and practices, which enable an entity to set its direction and manage its operations to discharge its accountabilities and achieve expected outcomes.

From early 2013, the NHVR Board was the NHVR's ultimate decision maker. It decided on 20 January 2014 to go live from 10 February 2014, three weeks later, despite having information showing that there was a moderate level of risk involved and that the NHVR still needed to complete some critical activities and fully implement some outstanding readiness recommendations before going live, in order to keep the overall risk level at moderate.

By 10 February, the NHVR had not fully completed all those activities. The NHVR Board did not advise the Responsible Ministers about the potential ramifications of commencing the new functions, with the level of risk that remained.

Managing risks

In October 2013, the NHVR Board engaged an external consultant to provide an assessment of the access management system's deployment readiness.

The external consultant provided an initial assessment of the system's technical readiness, business readiness and risk and governance, and reported to the NHVR Board. The consultant's report outlined a number of recommendations to address gaps in the NHVR's readiness.

In December 2013, the consultant provided an updated assessment to the NHVR Board. The external consultant's report dated 20 December 2013 reported that:

...we maintain our view that the overall project timeline of 10 February remains at a moderate (residual) risk profile subject to successful implementation of both our original recommendations and the additional recommendations set out in this report.

This indicates that the consultant was satisfied that, even if the NHVR implemented all of its recommendations, there was still an overall moderate level of risk for this implementation project.

The external consultant further updated the dashboard on 17 January 2014. The key finding from the January 2014 assessment was that the program maintains a 'moderate residual' level of risk. The consultant's report stated:

Overall, in our view the Program maintains a moderate residual level of risk. This means that given the design of the solution (a recently formed organisation implementing new processes and technology with a combination of experienced subject matter experts and some recently trained case officers), it is possible that issues may arise after go live which are unexpected and which may moderately impact the ability of the NHVR to process access permits.

The NHVR is taking a range of steps to manage these risks, including the development of a Mission Control Plan and close working relationships with jurisdictions and local governments to minimise the impact of any issue that arises.

Our assessment has been performed at a point in time (effective as of 20 January 2014). As of this date, there are a number of critical activities, which the NHVR is working on, but which remain incomplete.

Those critical activities included end-to-end testing of the access process through dress rehearsals and simulations, and system security and vulnerability testing. The NHVR also had to recruit and train key personnel before going live. With less than three weeks to go, the NHVR still had a significant amount of work to do to maintain the risk level at moderate.

The NHVR Board's 20 January 2014 meeting papers stated that:

The overall timeframe to deliver for go live continues to have extremely limited contingency built into the schedule. The combination of a tightly wound schedule, a substantial number of activities still in progress and limited contingency provides the NHVR with limited scope to absorb the unexpected and accommodate schedule slippage.

Despite having information available about these risks, and specifically that a number of critical activities were still in progress, the NHVR Board decided at its meeting on 20 January 2014 that the NHVR would be ready to implement its new access management responsibilities from 10 February 2014. Reviews post go live demonstrate the risks had not been well managed, as the NHVR had not fully completed all the critical activities in time for going live.

Advice to the Responsible Ministers

The Responsible Ministers in each state and territory were ultimately responsible for implementing the decision in their respective jurisdictions to go live on 10 February 2014.

On 22 January 2014, the NHVR Board provided the Responsible Ministers with a statement of assurance that the NHVR would be ready to go live. This letter informed ministers that the NHVR was still completing a number of critical activities and managing a large number of issues and risks. The board also provided the Responsible Ministers with a copy of the external consultant's report dated 20 January 2014.

However, the NHVR Board did not fully inform the Responsible Ministers of the potential ramifications for the NHVR, government and industry if the NHVR was not able to complete all the critical activities and mitigate the risks before the go live date.

Recommendations

We recommend that the NHVR and the DTMR:

4. work together and share information to:
 - assist the NHVR in achieving the objectives of the HVNL
 - avoid any potential duplication of effort in system development
 - improve industry stakeholder's confidence that the DTMR is committed to the heavy vehicle reforms.

Appendices

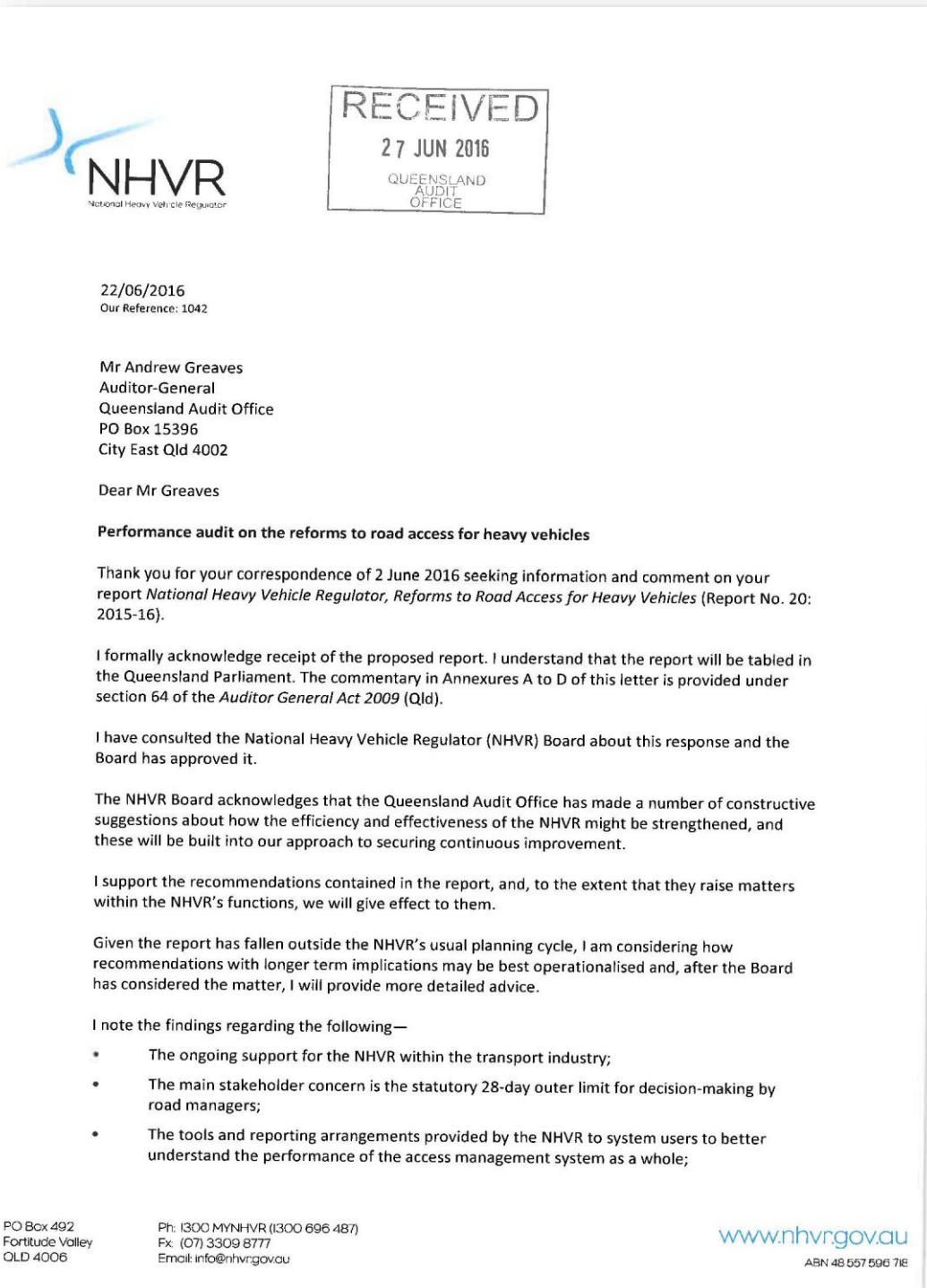
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Appendix A — Comments

In accordance with s.64 of the *Auditor-General Act 2009*, we provided a copy of this report to the National Heavy Vehicle Regulator and the Department of Transport and Main Roads with a request for comment.

Responsibility for the accuracy, fairness and balance of the comments rests with the head of these agencies.

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator



Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

- The improved quality of our engagement with stakeholders;
- The fact we have implemented the majority of 'health check' recommendations;
- Improvements in our project management approach (including exhaustive trialling and testing before the incremental release of new system components);
- Our commitment to the delivery of high quality regulatory products; and
- Our commitment to avoiding any scenario under which expectations of stakeholders exceed the outcomes reasonably within the NHVR's control.

Section 659 of Heavy Vehicle National Law empowers the NHVR to report to the responsible Ministers on the extent to which the object of the Law is being achieved. The audit report's key finding regarding the 28 day outer limit for decision-making, and the related issues of stakeholder expectation management, and local government resourcing are significant matters and I will advise responsible Ministers accordingly.

The audit is a useful addition to the reviews of the AMS program already undertaken. It has also allowed us to revisit, albeit in a highly constrained form, some of the events that took place between 2011 and 2014 and rebut misconceptions surrounding the implementation of the access management arrangements under the Heavy Vehicle National law.

The Board treats its statutory obligations with the utmost seriousness and notes that nothing in the report suggests the NHVR has failed at any point to comply with its enabling legislation, or - given the attribution in the report of so many issues to third party perceptions and engagement by the NHVR with interested parties - has departed from the relevant standards of care and due diligence.

The national heavy vehicle regulatory reform is a complex, ongoing process touching on most aspects of heavy vehicle operations. It has been delivered in co-operation with all levels of government since 2011 (I note here that, as a key part of the reform, the NHVR commenced operations in 2013). Clarifying various matters surrounding the reform's design and implementation for the performance audit has required a significant investment of resources. This investment has been useful for us and I am grateful for the opportunity to identify the improvements in our planning and delivery capabilities and our achievements. The NHVR looks forward to continuing to deliver on the objectives of the reform with the support of our stakeholders.

Yours sincerely



Sal Petrocchio
Chief Executive Officer
National Heavy Vehicle Regulator

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Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Annexure A Response to *Audit Report No. 20: 2015-16* under section 64 of the *Auditor General Act 2009* (Qld)

Overview

The report will be better understood by clarifying some historical and contextual matters relating to the national heavy vehicle regulatory reform given the complexity of the multi-jurisdictional delivery model under which it was designed and implemented. That clarification is briefly provided below. However we note and accept, notwithstanding this delivery model —

- The report cannot contain findings or recommendations in relation to any other State or Territory government, or local governments outside Queensland.
- None of the above participated in the audit.

AccessCONNECT

That some audit participants are reported to hold misperceptions regarding the pace and staging of work is a source of concern. It may therefore be useful to recall the following.

The Transport and Infrastructure Council (TIC) endorsed a program of remediation in May 2014. That decision was followed by an independent review to guide the options for improving the access permitting function. This led to the development of a business case and program initiation documentation presented at TIC for consideration in November 2014, and for final consideration by the Transport and Infrastructure Senior Officials' Committee in March 2015.

It is now a little over twelve months since endorsement and formal program commencement for AccessCONNECT. The NHVR undertook several important process optimisation activities during this period, and developed a plan to resolve issues and support stakeholders in the current environment.

The audit report indicates that the Customer Portal was delayed. The Customer Portal development activities were planned to be completed by end of January 2016. These activities were completed on time, after a thirteen week development cycle. Formal system testing was then undertaken, along with customer feedback sessions to ensure that the solution met stakeholder expectations. Once completed, the Program prepared for its staged implementation, which commenced in May 2016 and will be fully open by early August 2016 (a three month roll out period).

Importantly, the system improvement activities are only one part of the Program, for which the initial targeted end date was June 2016. However, the anticipated Program delivery date for full implementation has been aligned with the proposed transition from the delegated access decision-making system in February 2017 to such decision-making being undertaken by the NHVR. Staged release of system components and process improvements will be part of a formal transition plan as and when all parties are known to be ready.

The project planning documents and schedules indicating this release date and the remainder of the Program activities and subsequent solution releases (which will build off the foundational releases) into 2017 have been provided to the Queensland Audit Office.

The NHVR has also provided the Queensland Audit Office with copies of detailed progress reports provided to the Program Governance Committee and the NHVR Board, which include progress status of specific activities, and budget and costing information. The Program monitors the cost against the

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

nominated budget, and reports this through the current Program governance arrangements. We believe the current level of reporting effectively supports the governance of the Program. Even so, we will look at ways they can be improved to meet the audit report's recommendation.

Access under the HVNL and AMS Implementation

Background

The Heavy Vehicle National Law was developed in response to the recognition that the widely divergent State and Territory based arrangements that preceded it were characterised by duplication of functions, red tape, confusion, stress, and issues of equity and competitiveness.¹

These baseline issues were assessed against a predicted increase in the total national road freight task that will largely occur through the interstate road freight task. A single, unified national law administered by an independent regulator was identified as the best option to manage this anticipated growth from both the perspective of both productivity and safety.

As the audit report notes, there is a small but economically significant subset of vehicles dependent on permits for one-off or periodic movements. The operation of these oversized, or significantly overmass, vehicles (Restricted Access Vehicles, or RAVs) is essential to economic productivity but carries inherent risks. Even a compliant operation where the known risks are identified and managed under a well-established legislative framework can cause serious harm to the driver and other road users, and sometimes fatalities. The circumstances in which these risks can materialise are discussed in some length by the Queensland Coroner in the matters COR 2011/1631 & COR 2010/4091 in 2013, and 2014/3357 in 2015.²

Accordingly, issuing an access (or 'MDE') permit for a non-standard vehicle movement is a non-trivial matter and its proper management extends beyond the characteristics of an Information technology system or the speed of decision-making alone.

The Heavy Vehicle National Law recognises the inter-related productivity and safety dimensions of heavy vehicle transport. It addresses them in a legislative framework under which access decisions of independent entities are intended to be co-ordinated by the National Heavy Vehicle Regulator under the ultimate control of the Board and responsible Ministers, and establishes the following arrangements to manage the risks—

- decision-making guidelines for access providers;
- case management capability within the NHVR to manage the decision making process and find opportunities to maximise agreement on access;
- obligations on the NHVR to provide a statement of reasons to the operator if an application is refused;
- an access application review process for certain decisions; and
- an online one-stop-shop for access applications, allowing operators to submit a single application for routes that cross jurisdictional boundaries;

¹ Explanatory Notes, Heavy Vehicle National Law Bill 2012 (Qld), 6.

² These reports are available from the Queensland Coroner's website at <http://www.courts.qld.gov.au/courts/coroners-court/findings>

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Each of the above was implemented, although the audit report deals exclusively with the last of these items and its implementation through the AMS.³

The design of the AMS reflects the provisions of the HVNL which require the relevant road manager(s) to determine whether the operation of a permit-dependent RAV under a proposed MDE permit would pose significant risks to public safety and whether those risks could be avoided or significantly minimised by imposing conditions.

Those provisions authorise the NHVR to issue an MDE permit only where it is satisfied all necessary consents have been obtained and using a heavy vehicle on a road under the exemption will not pose a significant risk to public safety. The decision to grant or not grant the MDE permit must be made within a period of—

- Six months where a route assessment is required or another statutory consultation obligation must be met;
- 28 days [the statutory maximum service standard (SMSS)] for the most common form of application); or
- 14 days in the case of the proposed replacement of an MDE permit on identical terms at its expiration where no objection is received by a relevant road manager.

Report findings and responses

We note the finding in the report that at least some of the subset of industry stakeholders to whom this matter was relevant advised the audit team that the 28 day SMSS for road manager consent is their main concern.

The SMSS outer limit has been in the public domain in legislative form since February 2011.⁴ Policy-makers have elected, in the knowledge of these objections, not to prescribe any more flexible or stratified service standard(s) through multiple rounds of consultation, scrutiny, and legislative enactment of the original HVNL Bill and the HVNL Amendment Bill. The only significant exceptions to this statement were—

- The decision to *extend* from three months to six months the maximum period in which an application for an MDE permit where a route assessment is required must be dealt with ;
- The decision to remove the mechanism in the original consultation draft of the HVNL Bill that would have authorised the issuing of permits without a requirement for consent to be obtained for comparable vehicles in most cases; and
- The decision to include the optional 14 day alternative SMSS for identical applications at the election of a road manager.

In light of the above, and the fact responsibility for access decision-making remained largely unchanged after February 2014, the basis for the substantial gap between the expectations of some system users and the actual requirements of the HVNL remains to be bridged.

³ The AMS (Access Management System) is an Information Technology platform designed to co-ordinate applications for MDE permits and road manager consents from State, Territory, local government and third party road managers (and fourth party consents in Queensland given the local derogation mandating consents be obtained from the Police Commissioner).

⁴ Queensland Parliamentary Library, *The Heavy Vehicle National Law and the National Heavy Vehicle Regulator: Heavy Vehicle National Law Bill 2011 (Qld)*, Research Brief 2012/No. 02 February 2012.

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

The NHVR is not in a position to ignore the statutory requirement but remains committed to finding ways to ensure that the administrative processes for permit applications are improved and, in circumstances where it is appropriate, the need for such applications is removed (by, for example, pre-approvals or gazetted notices as authorised by the HVNL in some circumstances).

Notwithstanding the above, the reported concerns with the SMSS will be brought to the attention of the National Transport Commission (the body responsible for assessing and progressing legislative changes to the HVNL) again, and to responsible Ministers. This will give Ministers an opportunity to consider whether further legislative amendment is required.

We note the report's findings regarding the perceptions of some parts of the heavy vehicle industry and local government that—

- The reasons given for refusing access are not always consistent and evidence-based; and
- Some local governments do not have the resources and expertise readily available to make evidence-based consent decisions that often require a technical assessment of risks to the infrastructure on those roads.

We agree with the finding that resourcing for local government is outside the NHVR's remit and again will draw the findings in this area to the attention of responsible Ministers under section 659(2)(i).

We note the conclusion in the report that—

- Some local government road managers were not historically involved in access approval arrangements; however
- The audit team could not identify data regarding the extent to which the statutory access requirements were being complied prior to the implementation of the HVNL.

The extent and causes of this non-compliance seem critical to an assessment of the reasonableness of the NHVR's actions in engaging with industry to ensure compliance after February 2014. To assist in understanding how this was approached, an overview of some of the key activities undertaken by the NHVR in this area prior to 2014 is provided in Annexures B and C.

Governance and risk management

We agree that the contingencies and planning activities executed prior to February 2014 in relation to the AMS did not satisfy the expectations of the subset of permit-dependent RAV operators who measured their business needs in hours or a matter of days (regardless of whether this allows the risk assessment activities required under the Heavy Vehicle National Law to be performed).

The report discloses no significant material not already known in great detail regarding governance and risk management before February of 2014 or in the following two and half years. It is the NHVR Board's position that its decision-making, particularly in light of the extensive governance and independent assurance activities it engaged prior to 2014, was consistent with the applicable standards of care and diligence.

Without making comment on the opinions expressed throughout the report regarding risk management, we note that, as would be expected of a maturing organisation, our capabilities in the areas of both risk and project management have significantly improved. This has been strengthened by the support by responsible Ministers in administratively and then legislatively providing security of funding.

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Miscellaneous findings

The report states there is a perception that the relationship between the NHVR and DTMR is not strong but gives no indication whether or how the NHVR has contributed to this perception (and therefore how it could improve). The issue will be dealt with under our existing engagement and project management arrangements as far as is reasonably within our control.

We can confirm the AccessCONNECT Program manages stakeholder interactions systematically. An overview of the engagements performed through the Program is set out in Annexure D. This extract evidences over 211 distinct contacts with DTMR and over 2000 contacts with stakeholders in the period the Program has been on foot.

The report states that in October 2013 the NHVR learnt that some local governments were not ready to process consent requests under the HVNL. Elsewhere the report finds that prior to the creation of the NHVR in early 2011 the 28 day SMSS was formally advised to the National Transport Commission as being unachievable for many local governments in Queensland. The statutory 28 day limit and the limitations in local government resourcing (a) are well known, (b) were - as the audit report accepts - *specifically* known in relation to access management from 2011, (c) and, as far as local government resource limitations are concerned, were transparently advised in the comprehensive package of assurance documents (including a formal statement of assurance) provided by the NHVR in 2014, and (d) were not within the agreed funding base or statutory remit of the NHVR to substantially address.⁵

We note and agree with the finding that as long as stakeholders' expectations exceed what the NHVR can deliver under the terms of the HVNL the new access arrangements will not fully satisfy them. We are working to ensure these expectations are well-informed. The NHVR has ongoing formal mechanisms to engage with industry. Engagement with industry on strategic issues occurs through the Industry Reference Forum (IRF) which is a high level reference group made up of representatives from industry peak bodies and other key stakeholder groups. Engagement with specific sectors of industry is through the various Industry Operators Groups (IOG) including—

- Agriculture;
- OSOM (Oversized Overmass) Industry;
- Crane Industry; and
- Livestock Transporters.

The above groups continue to be an important part of our engagement strategy. Industry operator groups provide an environment for the NHVR to interact and work with industry on the development of our services and the provision of industry advice and guidance.

⁵ The statement addressed governance, statutory and related compliance, readiness for national operations, information technology and systems, contingency management, final preparations, process testing, finance, communications with stakeholders, industry and other interested persons, the NHVR's 'mission control plan' (a detailed plan relating to governance and operation in the periods before and after commencement), action taken by the NHVR to assist local governments and police agencies to be ready for the commencement, engagement with industry associations, how risks and issues were being managed and mitigated and the actions required of participating states and territories to ensure an effective transition to the national arrangements. The statement was supported by more than 150 pages of detailed supporting documents

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Annexure B Overview of Engagement with Local Governments 2012 - 2014

Background⁶

There has been ongoing contact with local government since mid-2012 to support them in their preparations for their new role as road managers.

The engagement commenced through the Australian Local Government Association (ALGA) and its Road Transport Advisory Committee (RTAC) and then progressively to individual councils.

The NHVR undertook an intensive, seven-month, frontline engagement program from July 2013 to January 2014 to prepare local government road managers for policy and operational changes under the national law.

The NHVR worked with state road authorities, the local government associations and directly with nominated local government road managers to:

- Agree on operational practices between NHVR, state road authorities and local governments
- Establish policy and guidelines for local government decision-making regarding access applications
- Undertake ICT testing of the NHVR systems that interface with local government (including in the final weeks before go-live)
- Inform and educate local government road managers of their responsibilities under the new law (including in the final weeks before go-live)

Communication with local government was by way of a range of methods, including direct engagement, consultation and education, publication distribution (both hard copy and emailed links), and bulk email messaging.

Operational practices

The NHVR is coordinating efforts with state road authorities and local government associations to streamline operations and processes for approving access applications wherever possible. This includes:

- Pre-approval partnerships: By establishing pre-approved routes with individual local governments, time taken to process applications can be reduced significantly, particularly for time-critical permit applications, and it also lessens the administrative burden on councils.
- Performance Based Standards Route Assessment Tool (PBS RAT): The PBSRAT helps local government classify heavy vehicle routes according to PBS guidelines. It allows users to enter data on a specific route and assess the infrastructure's ability to facilitate the safe and efficient operation of PBS heavy vehicles.
- Road manager contact details and process escalation point: During April – June 2013, in recognition of the critical and legislative need to obtain contact details for road managers, the NHVR worked with ALGA and state and territory road authorities to generate a comprehensive list of those key contact and escalation points. The NHVR also confirmed that these details were complete and accurate in two national ring-arounds to over 420 individual councils as the commencement of the new laws drew closer.
- We have regularly communicated that we have engineers and other specialists on staff who can help councils work through pre-approval options and assessment of permit applications.

⁶ Reproduction of briefing material prepared in March 2014.

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Policy and guidelines for local government access decision-making

In collaboration with industry and state and local government, the NHVR developed Guidelines for Granting Access to assist all road managers, and in particular local government. The guidelines were approved by TIC at its meeting of 25 February 2014.

ICT systems testing

The NHVR undertook extensive partner connectivity testing to ensure the ICT system could send road manager requests to all local governments. Communication with local governments regarding testing commenced on 4 November 2013, with testing completed on 12 November 2013.

Some local government participants nominated to participate in External User Acceptance (UAT) testing. The first round of testing for this commenced on 19 November 2013 and was completed by 13 December 2013. The second round of testing commenced on 6 January 2014 and completed by 17 January 2014.

Information and education

An information and education campaign was run between July 2013 and January 2014.

The campaign included:

- Direct engagement, consultation and education: A comprehensive phone survey of local government by NHVR case managers, education materials supplied to associations, presentations and attendance at various local government forums, conferences and events and a roadshow of 15 NHVR forums in key regional locations.
- Distribution of nine publications and information material either via hard copy or emailed links: including presentations, guides to the new law for local government and e-learning videos.
- Bulk email messaging: The NHVR regularly communicates with local government through an extensive contacts database, complete with details of national and state association representatives, mayors, CEOs and road managers from participating states and territories. The first direct email from NHVR CEO to all local government mayors and CEOs seeking contact details of nominated road managers sent in June 2013. Since then information about the NHVR process and the role and responsibilities of local government have been regularly distributed.

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Annexure C Timeline of communication activities between NHVR and local government 2012 - 2014

25 May 2012	First discussion with ALGA RTAC to develop a comprehensive communications and engagement strategy
Mid-2012 – Late 2013	Evaluation of PBS RAT and selection of local governments for participation in the pilot program.
18 October 2012	Meeting with ALGA RTAC in Brisbane
16 November 2012	Meeting with ALGA RTAC in Hobart (ALGA National Roads Congress)
March 2013	ALGA members accepted invitation to join NHVR's Access Reference Group, as the local government representative
April 2013 – June 2013	Two national phone ring-arounds to over 420 individual local governments to confirm complete and accurate key contact and escalation points collated between NHVR, ALGA and state and territory governments
15 April 2013	Meeting with ALGA RTAC in Adelaide
July 2013	Commencement of intensive frontline engagement program
4 July 2013	Meeting with ALGA RTAC via teleconference
26 July 2013	Meeting with ALGA RTAC in Brisbane
August 2013	Participating state and territories (except Queensland) took the lead on pursuing pre-approvals with local government and worked collaboratively with NHVR in running education and negotiation forums with local governments
August 2013	Distribution of an animated presentation outlining the step-by-step process for dealing with an access application, including a demonstration of the NHVR Journey Planner
August 2013	Bulk email: Overview of the application process and the roles of councils in the decision making process
August 2013 – September 2013	Local government phone survey by NHVR case managers to identify local government understanding of their new role and gather data that will influence development of processes and interaction with local governments, including training and engagement options
September 2013	NHVR presentation and education materials supplied to local government associations in certain states to support their local government forums
September 2013	Bulk email: Information about the NHVR local government webinar and viewing the access management presentation
2 September 2013	NHVR presentation at a dedication local government seminar in

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

	Melbourne during Freight Week 2013
17 September 2013	In partnership with VicRoads and the MAV, meeting with representatives from select local governments in Victoria to explore possible pre-approval for certain routes
27 September 2013	Webinar for local government comprising of representatives from NHVR, ALGA, and the South Australian Department of Planning, Transport and Infrastructure
October 2013	Bulk email: Information about the local government information pack to support local government in their role as road managers, and local government email testing
4 October 2013	Meeting with ALGA RTAC via teleconference
6 October 2013 – 11 October 2013	NHVR presentation at the Institute of Public Works Engineers (Qld) (IPWEAQ) Conference in Cairns to local government engineers and road managers
10 October 2013 – 25 October 2013	Phone campaign direct from NHVR case managers to local government to assess understanding and awareness for the implementation of the new laws
15 October 2013	NHVR presentation at the Central West NSW Heavy Vehicle Breakfast Forum for local government and industry in Forbes, NSW
24 October 2013	Meeting with ALGA RTAC in Brisbane
November 2013	Announcement of PBS RAT agreement at the ALGA National Roads congress attended by approximately 260 local government representatives
November 2013	Distribution of the publication A guide to the Heavy Vehicle National Law for local government
November 2013	Distribution of the presentation One Regulator, one rule book – what it means for local government
November 2013	Distribution of the video 'One Regulator, one rule book - NHVR Access Management System' https://www.nhvr.gov.au/news-events/webcast-hv-tv/access-management-system-ams
November 2013	Distribution of the video NHVR Journey Planner
November 2013	Bulk email: Information about road manager email testing and a simulation of the road manager consent process
November 2013	Bulk email: Update about road manager email testing and steps for road managers
4 November 2013	Email sent to all nominated road managers advising of upcoming partner testing activities
8 November 2013	Reminder email sent to all nominated road managers about partner connectivity testing

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

11 November 2013 – 22 November 2013	Partner email connectivity testing
12 November 2013	Email to road managers with further advice about to respond to the connectivity test
12 November 2013 – 14 November 2013	Sponsorship of the ALGA National Local Roads and Transport Congress in Alice Springs attended by approximately 260 local government representatives from around Australia. The NHVR delivered two dedicated presentations on the program, staffed a booth for the duration of the event, and generated much direct discussion with local government access decision-makers and a considerable interest in pre-approval arrangements
19 November 2013 – 13 December 2013	Round 1 UAT testing with local government participants
25 November 2013 – 29 November 2013	Week 1 of the NHVR local government roadshow and forums – Melbourne, Traralgon, Townsville, Rockhampton
December 2013	Distribution of the audio NHVR forum recordings for local government
December 2013	Bulk email: Information about simulation testing of the road manager consent process and links to the NHVR Journey Planner e-learning videos
December 2013	Bulk email: Links to videos on the NHVR Access Management System, the Journey Planner, and the local government and the Heavy Vehicle National Law publication
2 December 2013 – 6 December 2013	Week 2 of the NHVR local government roadshow and forums – Sydney, Dubbo, Albury-Wodonga, Hobart, Launceston
9 December 2013 – 13 December 2013	Week 3 of the NHVR local government roadshow and forums – Adelaide, Port Augusta, Mt Gambier, Brisbane, Toowoomba, Roma
January 2014	Distribution of the video NHVR Journey Planner e-learning videos to provide a step-by-step guide on using the Journey Planner
January 2014	Distribution of the video NHVR Journey Planner scenario videos demonstrating how to plan a journey and utilise the Journey Planner
January 2014	Distribution of the publication NHVR Journey Planner user guide outlining all the features and tools in the Journey Planner
6 January 2014 – 17 January 2014	Round 2 UAT testing with local government participants
February 2014	Bulk email: Information about the role of road managers under the new national law, the Access Management System, the implementation of pre-approvals, road manager reference materials and an update on the route assessment tool.

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

February 2014	Bulk email: The NHVR introduces transitional arrangements for local government consent to access requests
February 2014	Bulk email: The NHVR advises of temporary delegation of permit processing function to TMR
February 2014	Bulk email: The NHVR advises of new arrangements to improve processing times for access permit applications and delegation of some administrative functions to TMR
February 2014	Bulk email: The NHVR and states partner to streamline local road access permits
19 February 2014	Meeting with ALGA RTAC via teleconference
25 February 2014	NHVR Guidelines for Granting Access to assist road managers approved by COTI

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

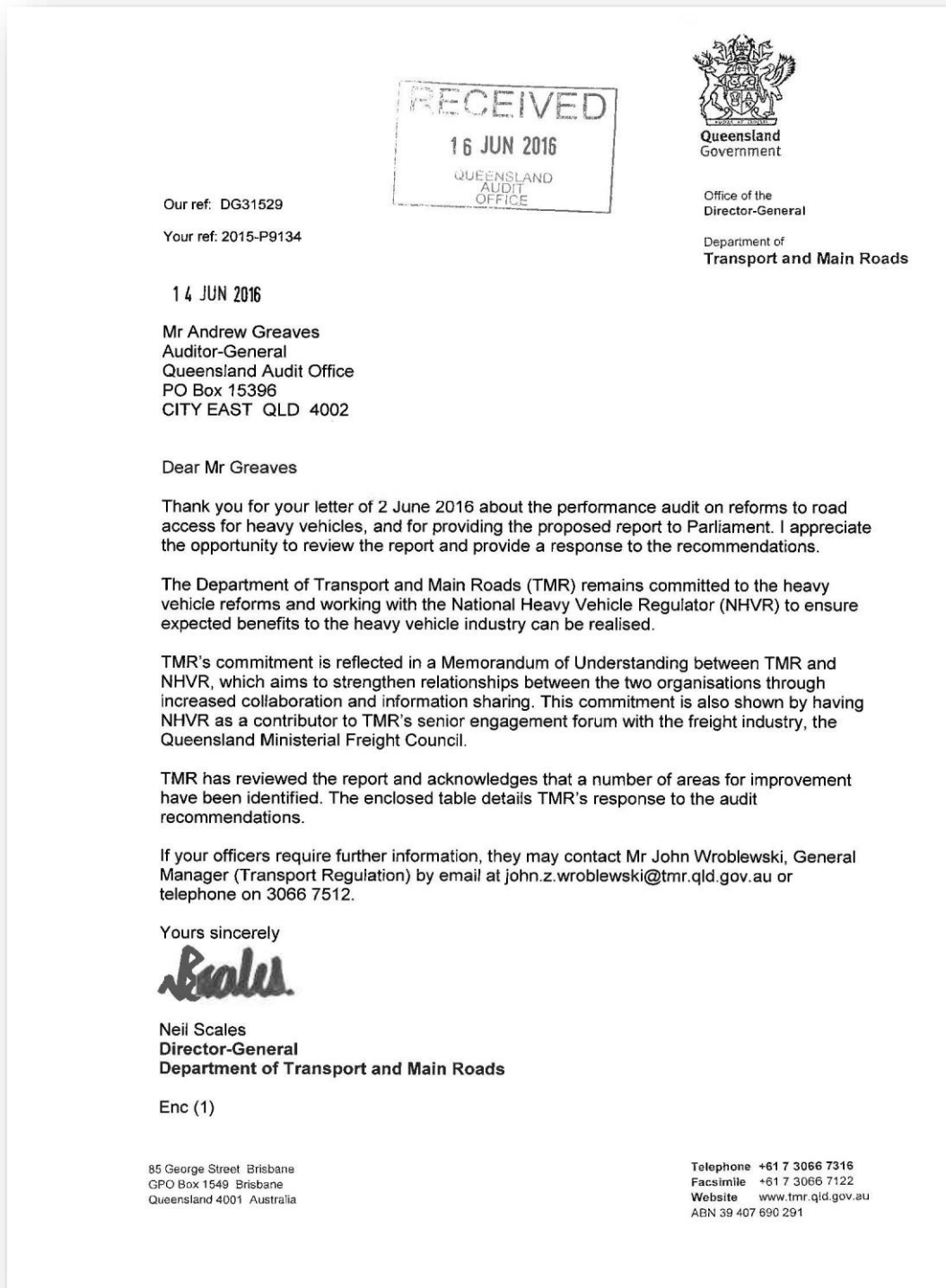
Annexure D Extract of Consultation Management Data for AccessCONNECT

Stakeholder Groups	Events	Stakeholders	
		Distinct	Total
AC Program Working Group	247	48	819
AC BETA Release	226	47	266
Archive - AC Alpha Pilot 1 - Government (Local, State, Federal)	207	59	597
AC Communication and Change Network	160	12	351
Archive - AC Jurisdiction Group Pilot	159	24	387
AC Governance Committee	148	15	267
Archive - AC Focus Group P1 - Road Managers	145	13	268
Reference Group/Advisory Group/Panel	122	41	208
Archive - AC Focus Group P1 - Local Government	111	31	201
QLD State Gov	107	26	211
OSOM/Heavy Haulage	106	24	152
Archive - AC Journey Planner Pilot	103	16	206
Archive - AC Alpha Pilot 1 - Customers	89	13	120
OSOM Industry Operations Group (IOG)	79	14	115
Archive - AC Customer Group Pilot	77	10	102
NSW State Gov	74	15	159
Govt (Federal)	73	12	149
AC Phase Rollout	71	47	75
Archive - AC Focus Group P1 - Customers	69	16	97
VIC State Gov	66	20	107
General Freight	63	9	76
Archive - AC Risk Framework (OSOM) Pilot Group	62	16	112
AC Opt In - System Pilot	60	9	71
Industry Reference Forum (IRF)	54	15	88
SA State Gov	53	8	101
TAS State Gov	52	9	76
Vehicle Standards Reference Group	49	18	104
NOSPAG	42	19	116
AC Program Stakeholder	41	16	75
National (Association/Peak Body)	40	9	56
Supply Chain and Logistics	33	5	39
State (Association/Peak Body)	29	13	49
AC Opt In - Permit Pilot	26	3	28
NT State Gov	26	8	57
WA State Gov	25	7	50
NSW Local Gov	20	9	31
VIC Local Gov	19	3	23
Association - Local Gov	19	5	36
Crane	16	7	18
Archive - AC Local Government Group Pilot	14	12	42
SA Local Gov	12	2	12

Comments received from Chief Executive Officer, National Heavy Vehicle Regulator

Stakeholder Groups	Events	Stakeholders	
Livestock	11	9	16
QLD Local Gov	10	4	12
NHVR Service Provider	10	12	20
Crane Industry Operations Group (IOG)	9	4	11
Construction/Engineering	7	5	8
ACT State Gov	7	2	7
TAS Local Gov	6	4	14
AC Beta Release Invited - Not Accepted	5	9	11
Livestock Industry Operations Group (IOG)	4	5	8
Agriculture	4	12	24
Trailer Manufacturer/Dealer	3	1	3
Truck Manufacturer/Dealer	3	1	3
Agricultural Industry Operations Group (IOG)	3	11	23
VSB6 Single Issue Working Group	3	6	6
Consultancy	2	1	2
Rail	2	1	2
AC Permit Customers	2	1	2
Logging	1	1	1
Waste	1	1	1
Port Authority	1	1	1
Coupling and Safety Chain Working Group	1	1	1
Government Agency	1	2	2
Bus and Coach	1	1	1
[No Stakeholder Groups]	80	310	708
Total Event search	763	470	2049

Comments received from Director-General, Department of Transport and Main Roads



Responses to recommendations



Department of Transport and Main Roads, Reforms to Road Access for Heavy Vehicles (Report No. 20: 2015–16)

Response to recommendations provided by the Director General, Department of Transport and Main Roads on 14 June 2016.

Recommendation	Agree / Disagree	Timeframe for Implementation (Quarter and Year)	Additional Comments
<p>We recommend that the National Heavy Vehicle Regulator (NHVR) and Department of Transport and Main Roads (DTMR) work together and share information to:</p> <ul style="list-style-type: none"> assist the NHVR in achieving the objectives of the Heavy Vehicle National Law avoid any potential duplication of effort in system development improve industry stakeholder's confidence that the DTMR is committed to the heavy vehicle reforms. 	Agree	Ongoing	DTMR is committed to developing a mutually supportive relationship with the NHVR, as demonstrated by the signing of a Memorandum of Understanding with the NHVR in January 2016. The MOU outlines a commitment by both TMR and the NHVR to share information, and collaborate and cooperate in delivering our respective responsibilities under the HVNL. The MOU aims to maximise efficiencies, particularly with regard to development of access management systems, and improve stakeholder certainty in the commitment and capability of both organisations to successfully deliver heavy vehicle reforms.

Appendix B — Definitions

Definitions of key terms

Figure B1—Definitions of key terms

Acronym or term	Description
Chain of Responsibility (CoR)	<p>Chain of Responsibility is similar to the legal concept of 'duty of care' that underpins Occupational Health and Safety (OHS) law. The courts have used his approach for a long time to impose liability in negligence and damages claims.</p> <p>Under Chain of Responsibility, complying with transport law is a shared responsibility and all parties in the road transport supply chain are responsible for preventing breaches. This approach recognises the effects of the actions, inactions and demands of off-the-road parties in the transport chain.</p> <p>Anybody—not just the driver—who has control over the transport task can be held responsible for breaches of road laws and may be legally liable.</p>
Classes of heavy vehicles	See Appendix E.
General Access Vehicles	In terms of heavy vehicles on Australian roads, these are vehicles, which do not require a permit or notice to run on the road networks. These vehicles have as-of-right access to the network unless otherwise sign posted.
Gross Vehicle Mass (GVM)	<p>Gross Vehicle Mass of a vehicle means the maximum loaded mass of the vehicle:</p> <ul style="list-style-type: none"> ▪ As specified by the vehicle's manufacturer on an identification plate on the vehicle, or ▪ As specified by the relevant registration authority if: <ul style="list-style-type: none"> - A mass is not specified by the vehicle's manufacturer on an identification plate on the vehicle, or - A mass so specified on an identification plate is no longer appropriate because the vehicle has been modified.
Heavy Vehicle	Means a vehicle that has a Gross Vehicle Mass greater than 4.5 tonnes.
Higher Mass Limits (HML)	A mass exception under the HVNL that allows higher mass limits on approved routes for particular vehicles or vehicle combinations dependent on other conditions being met (e.g. IAP and/or road friendly suspension may need to be fitted to the vehicle).
Intelligent Access Program (IAP)	The Intelligent Access Program is a program to allow heavy vehicles to have access, or improved access, to the road network in return for monitoring, by an intelligent transport system, of their compliance with stated access conditions.
National Law or Heavy Vehicle National Law (HVNL)	Means the legislation and regulations establishing and governing the operation of heavy vehicles and establishing the NHVR that is enacted in the Queensland Parliament and adopted by template or reference (as distinct from model) by the remaining states and territories as the law of their Parliaments, as amended from time to time.

Acronym or term	Description
National Heavy Vehicle Regulator (NHVR)	Means the independent body established by the National Law to administer that law.
National System	Means the National Law, the NHVR and the supporting administration, structures and systems that enable their operation.
Overmass Vehicle	A heavy vehicle or combination that does not comply with a mass requirement applying to it (including gross mass, axle or axle group mass).
Oversize Vehicle	A heavy vehicle or combination that does not comply with a dimension requirement applying to it.
Performance Based Standards (PBS)	An alternative accreditation scheme for heavy vehicles setting minimum performance levels for safe and efficient operation (as opposed to standard prescriptive rules). Greater access is generally afforded for higher performance.
Restricted Access Vehicles (RAV) or Restricted Vehicles	<p>RAV is an umbrella term for Class 1, 2 and 3 vehicles and those operating at HML. RAVs operate under a notice or permit issued by or on behalf of the Regulator. Examples are B-doubles, road trains, cranes, low loaders, etc.</p> <p>A vehicle that is not a general access vehicle.</p>
Standing Council	Means the relevant council established under the Council of Australian Governments to consider transport matters. Previously known as the Standing Council on Transport and Infrastructure. Currently known as the Transport Industry Council. But constituted so that it consists of only one Minister for each party to the Intergovernmental Agreement on Heavy Regulatory Reform, 2011 when dealing with matters with which that agreement or the National System are concerned.

Source: Queensland Audit Office, adapted from the National Heavy Vehicle Regulator and Intergovernmental Agreement on Heavy Vehicle Regulatory Reform, 2011

Appendix C — Transport reform since 2008

Enhancing freight productivity is essential to ensure Australia can meet the increasing demand for transport from a growing, aging and urbanising population. Improved productivity will help not just to improve the economy, but also improve safety and environmental outcomes—because it can improve transport efficiency and decrease fuel use.

The National Partnership Agreement (NPA) to Deliver a Seamless National Economy is a national reform agenda to improve efficiencies and increase national productivity. Under this NPA, in 2009 the Council of Australian Governments (COAG) agreed to establish national regulatory systems for heavy vehicles, rail and maritime transport, comprising national laws and national regulators.

Australian Transport Council agreement

In May 2008, the Australian Transport Council (ATC), now called the Transport and Infrastructure Council (TIC), agreed that Australians want a national transport system that is safe, secure, efficient, reliable and integrated and that supports national social, economic and environmental prosperity. The ATC comprised of the Commonwealth and all state and territory transport ministers.

The ATC agreed that a national system of heavy vehicle regulation would seek world-class economic efficiency and safety outcomes in the Australian road freight industry and deliver excellent and professional regulatory and compliance services. The ATC recognised that decisions regarding access to Australia's road network are a matter for the various asset owners (i.e. state and local governments and entities such as utilities, port and airport corporations).

Consistent with the ATC's national transport objectives, six principles guided the formulation of options for heavy vehicle regulatory reforms:

- uniform laws and administrative practices should achieve the same outcome in the same circumstances across Australia
- regulatory burden will not increase as a result of the reform
- legal and administrative costs of regulatory compliance will be minimised
- productivity, effectiveness and safety of the heavy vehicle industry are enhanced
- efficient, productive and sustainable freight and heavy vehicle operations will be facilitated, consistent with sustainable management of government assets
- the framework should allow for review and evaluation of the regulation and supporting systems to ensure their ongoing national relevance and efficacy.

The ATC also outlined an implementation 'road map' for the reforms including:

- administrative and governance arrangements
- a project board
- a heavy vehicle project management office
- actions for regulated parties and jurisdictions
- transitional arrangements
- establishment of the National Heavy Vehicle Regulator (NHVR)
- implementation timeframes (including that government implement the reforms within 36 months from COAG's decision to proceed).

Heavy vehicle reforms

The Australian Government has no direct power to legislate for transport matters generally. As a result, the states and territories are largely responsible for the regulation of heavy vehicles and their operations. Local government is also relevant to heavy vehicle regulation and operations through its role as an asset owner and manager of the vast majority (around 85 per cent) of Australia's total road network.

COAG decision

On 2 July 2009, COAG agreed to establish a set of heavy vehicle laws that would apply consistently across all participating jurisdictions.

In February 2010, COAG named Queensland as the host jurisdiction for the new legislation, the HVNL, and the corporate base for the NHVR. COAG agreed that Queensland would be the first to pass the HVNL, with other states and territories subsequently applying the HVNL.

Intergovernmental agreement

In August 2011, all states and territories except Western Australia signed the COAG Intergovernmental Agreement on Heavy Vehicle Regulatory Reform (the agreement). The agreement stated that the objectives were:

- seamless national regulation of heavy vehicles that achieves the same outcome in the same circumstances
- consistent and streamlined administration and service provision for the regulation of heavy vehicles.

The agreement operated from August 2011 until 31 December 2013, at which time the parties to the agreement were to deliver the following outputs:

- the HVNL
- an independent NHVR that administers the HVNL in each state and territory and governed by a Board
- agreed national standards for the delivery of heavy vehicle regulatory services and activities
- service level agreements between the NHVR and each state and territory to deliver heavy vehicle regulatory services and activities to support the implementation of the National System.

The agreement also stated that it would contribute to the following outcomes for the heavy vehicle industry:

- removal of inefficiencies from inconsistent jurisdictional requirements
- lessened regulatory burden and a reduction in the costs of compliance
- enhanced safety, productivity and efficiency.

Heavy Vehicle National Law

National Transport Commission

The *National Transport Commission Act 2003* (Cth) establishes the NTC as a statutory body. It has an ongoing responsibility to develop, monitor and maintain uniform or nationally consistent regulatory and operational reforms relating to road transport, rail transport and intermodal transport.

This means that the NTC is responsible for developing and consulting on the HVNL and any amendments to it.

Objectives of HVNL

Section 3 of the HVNL provides that the object of this law is to establish a national scheme for facilitating and regulating the use of heavy vehicles on roads in a way that:

- promotes public safety
- manages the impact of heavy vehicles on the environment, road infrastructure and public amenity
- promotes industry productivity and efficiency in the road transport of goods and passengers by heavy vehicles
- encourages and promotes productive, efficient, innovative and safe business practices.

Departures from the HVNL

Importantly, the legislative arrangements used to implement these reforms meant that each participating jurisdiction had to pass the HVNL in their own parliaments before it had effect. In doing this, jurisdictions were able to retain or introduce new laws as departures from the operation of the HVNL to suit their local conditions.

For example, in Queensland, the NHVR is required to seek the consent of the Police Commissioner in certain circumstances before issuing a notice or permit—this requirement does not exist in other jurisdictions.

Key legislative provisions—heavy vehicle access

Objectives

Chapter 4 of the HVNL governs access arrangements for restricted access vehicles. A restricted access vehicle (RAV) means a heavy vehicle that (together with its load) is:

- higher than 4.3 metre; or
- wider than 2.5 metre; or
- longer than:
 - if a single vehicle other than an articulated bus—12.5 metre; or
 - if an articulated bus—18 metre; or
 - if a combination—19 metre.

Examples of RAVs are low loaders carrying large equipment or structures, cranes, road trains, b-doubles and farming equipment e.g. tractors, harvesters and irrigators.

Industries that are reliant on RAVs include general freight, mining, agriculture and construction - the industries that need to move big equipment on roads designed for standard shape and size vehicles.

The main purposes of Chapter 4 are:

- to improve public safety by decreasing risks caused by excessively loaded or excessively large heavy vehicles
- to minimise any adverse impact of excessively loaded or excessively large heavy vehicles on road infrastructure or public amenity.

Chapter 4 achieves these purposes by:

- imposing mass requirements for heavy vehicles, particular components of heavy vehicles, and loads on heavy vehicles
- imposing dimension requirements on heavy vehicles including on the vehicles (together with equipment), components or loads
- imposing requirements about securing loads on heavy vehicles
- restricting access to roads by heavy vehicles of a particular mass, size or configuration even if the vehicles comply with the mass requirements, dimension requirements and other requirements mentioned above.

Granting access

Chapter 4 sets out the ways by which over-size and over-mass vehicles may access federal, state and local government roads, including:

- a notice issued by the NHVR in the Commonwealth Gazette permitting certain classes of vehicles to travel on specified roads with or without conditions (notices)
- a mass or dimension exemption permit issued by the NHVR to a specific operator for a specified period of time (permit)

It is important to note that while the NHVR issues the permit, it may only do so if:

- it is satisfied the use of the heavy vehicle on a road under the exemption will not pose a significant risk to public safety; and
- each relevant road manager for the exemption has consented to the grant; and
- it is satisfied that the applicant has obtained all other consents required for the exemption under the law of the relevant jurisdiction.

This gives effect to the ATC's recognition that access decisions are a matter for the road asset owners. In other words, the NHVR does not have the statutory power to issue a permit if one or more relevant road managers (i.e. state or local government or other road owner) has not granted consent.

Appendix D — Key timeframes relating to establishment of the NHVR

Figure D1—Key timeframes

Key Date	Event
2 July 2009	The Council of Australian Governments (COAG) agreed to establish the National Heavy Vehicle Regulator (NHVR).
February 2010	COAG named Queensland as the host jurisdiction for the new legislation and the corporate base for NHVR.
June 2010	The NHVR Project Office opened in Brisbane to establish the new regulatory regime and the NHVR as a corporate entity, and facilitate transitional activities for jurisdictional service delivery areas.
20 May 2011	Australia's transport ministers, comprising the then Australian Transport Council (ATC) agreed to support forwarding the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform to COAG.
19 August 2011	COAG members signed the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform (with the exception of Western Australia). COAG set a deadline for full implementation by the end of 2012.
4 November 2011	Federal transport minister the Hon. Anthony Albanese MP announced the Chair Designate of the NHVR Board. The Standing Committee on Transport and Infrastructure (SCOTI), previously the ATC, approved the draft HVNL Bill. The HVNL was to be progressed in two stages. The draft Bill and the regulations made under it provided the legislative framework for the establishment of the NHVR as well as the substantive consolidation of model laws into a single body of law. However, some policy or technical matters remained unresolved, due to their complexity or, inability of the participating jurisdictions to reach agreement. As such, an amendment Bill was required to implement the HVNL.
15 November 2011	The Queensland government introduced the first HVNL Bill into the Queensland Parliament. However, this Bill lapsed in March 2012, due to the Queensland elections and the formation of a new government.
18 May 2012	Australia's transport ministers announced the remaining members of the NHVR Board.
31 July 2012	Queensland reintroduced the HVNL Bill into the Queensland Parliament.
23 August 2012	The Queensland Parliament passed the HVNL.
12 October 2012	The NHVR became an independent statutory body. Limited parts of the HVNL commenced by proclamation. Queensland's then Minister for Transport and Main Roads, Scott Emerson MP formally appointed the NHVR Board.
2 November 2012	The NHVR Board held its first meeting. NHVR Board Chair announced the appointment of the first CEO of the NHVR. The new CEO was formerly the Project Director for the NHVR Project Office.

Key Date	Event
13 November 2012	The Queensland government introduced the HVNL Amendment Bill 2012 into the Queensland Parliament, dealing with a range of policy and technical matters.
21 January 2013	The NHVR opened for business, initially managing National Heavy Vehicle Accreditation Scheme accreditations and Performance-Based Standards Scheme design and vehicle approvals on a national basis.
14 February 2013	The Queensland Parliament passed the HVNL Amendment Bill 2012, to commence by proclamation, paving the way for participating states and territories to adopt the law.
10 May 2013	SCOTI agreed to delay commencement of the remaining provisions of the HVNL (including access management) until 1 September 2013.
15 November 2013	NHVR requested SCOTI to approve a commencement date of 28 January 2014. SCOTI decided that the HVNL would commence on 10 February 2014.
10 February 2014	'One Regulator, one rule book' rolled out with the commencement of the Heavy Vehicle National Law (HVNL) in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory.
14 February 2014	One week into access management operations, NHVR experienced significant problems with its access management systems. This led to industry dissatisfaction about issuing permits.
19 February 2014	Queensland's Department of Transport and Main Roads started processing access permits under delegation from NHVR—for class 1 applications within Queensland.
25 February 2014	NSW and Victoria also started processing access permits—for class 1 and 3 (NSW) and class 1 (Vic) applications within their jurisdictions.
27 February 2014	SA started processing access permits—for class 1 and 3 applications within South Australia.
20 March 2014	ACT started processing access permits—for class 1 and 3 applications within ACT.

Source: Queensland Audit Office

Appendix E — Classes of heavy vehicles

The Heavy Vehicle National Law (HVNL) provides for three classes of heavy vehicle as a means of managing the different access requirements of different types of heavy vehicles.

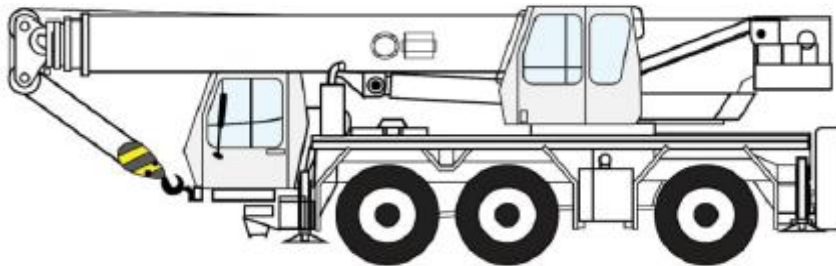
Class 1 heavy vehicles

Vehicles that, together with their load, do not comply with prescribed mass or dimension limits, including:

- special purpose vehicles (e.g. mobile crane)
- agricultural vehicles other than agricultural trailers (e.g. harvester, tractor)
- vehicles or combinations carrying, or designed for the purpose of carrying, a large indivisible item (e.g. prime mover and low loader combination).

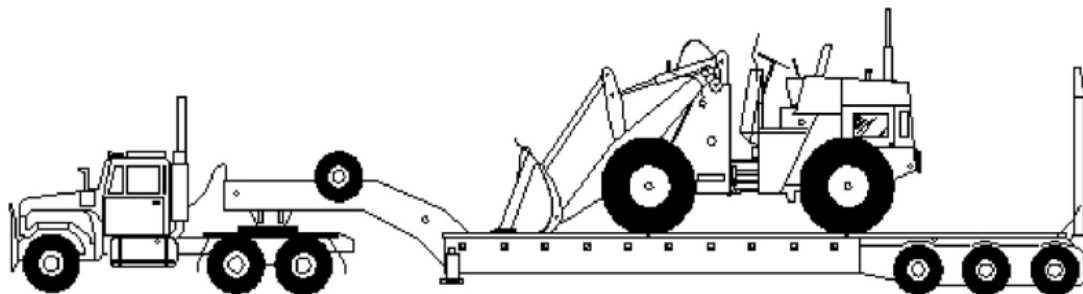
Class 1 vehicles do not include B-doubles, road trains or vehicles carrying freight containers designed for multi-modal transport.

Figure E1 Class 1 Special purpose vehicle—3-axis all-terrain crane



Source: National Heavy Vehicle Regulator

Figure E2 Class 1 OSOM vehicle—Prime mover and tri-axle low loader combination



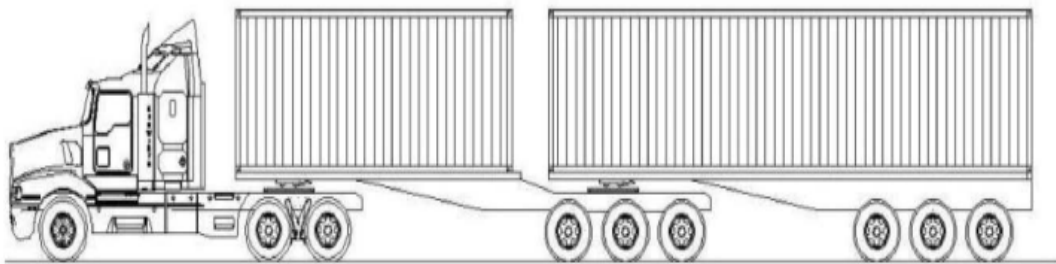
Source: National Heavy Vehicle Regulator

Class 2 heavy vehicles

Vehicles that comply with their prescribed mass and dimension limits, including:

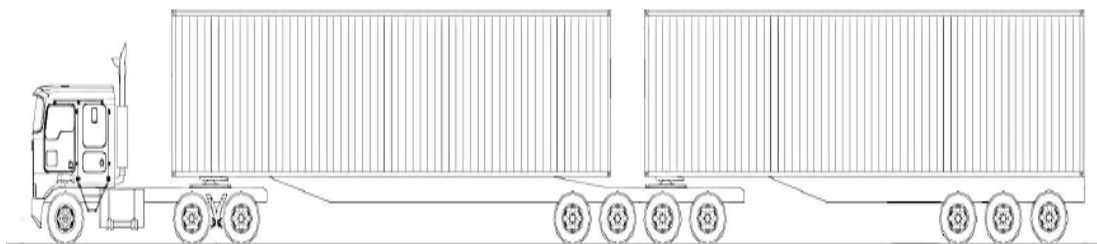
- B-doubles—consists of a prime mover towing two semitrailers, with the first semitrailer being attached directly to the prime mover by a fifth wheel coupling and the second semitrailer being mounted on the rear of the first semitrailer by a fifth wheel coupling
- road trains—a combination, other than a B-double, consisting of a motor vehicle towing at least 2 trailers, excluding any converter dolly supporting a semitrailer
- buses (other than an articulated bus) longer than 12.5 metres but less than 14.5 metres (also known as a ‘Controlled Access Bus’)
- vehicle carriers—a combination designed and built to carry vehicles on more than one deck that together with its load is longer than 19 metres or higher than 4.3 metres
- livestock carriers—a heavy vehicle or combination, that is higher than 4.3 metres and built to carry cattle, sheep, pigs or horses
- Performance-Based Standards (PBS) vehicles—which can operate on road networks and classified as suitable for their level of performance.

Figure E3 Class 2 Freight-carrying vehicle—9-axle B-double



Source: National Heavy Vehicle Regulator

Figure E4 Class 2 PBS vehicle—Quad tri-axle B-double



Source: National Heavy Vehicle Regulator

Class 3 heavy vehicles

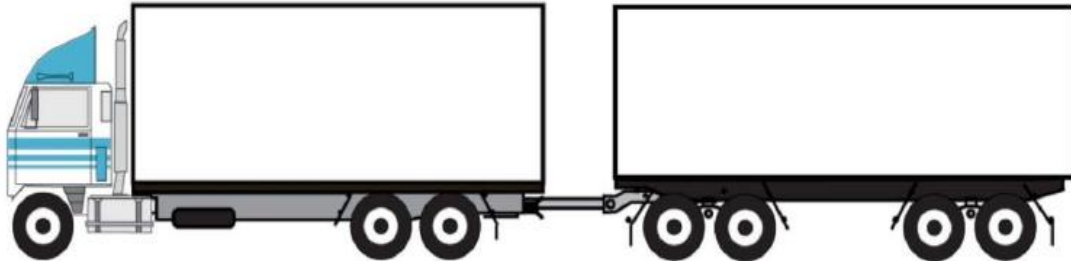
Vehicles that, together with their load, do not comply with prescribed mass or dimension limits and are not Class 1 vehicles. Examples include:

- rigid truck and dog trailer combinations weighing more than 42.5 tonnes
- B-doubles or road trains transporting loads wider than 2.5 metres.

Notices and permits specify a range of conditions relevant to the use of the vehicle or combination. This can include, but is not limited to:

- mass and dimensions
- routes and areas
- travel, roads and vehicle conditions.

Figure E5 Class 3 heavy vehicle—Truck and dog trailer combination



Source: National Heavy Vehicle Regulator

Appendix F — AccessCONNECT Projects

The AccessCONNECT Program scope includes two key projects—the System Enhancement Project and the Permit Improvement Project, each with a number of sub-components.

System Enhancement Project

The scope of the NHVR's System Enhancement Project (SEP) is to develop a new comprehensive framework and system for the NHVR to deliver the access management services. Figure E1 shows the products that this project aims to deliver.

Figure F1
System Enhancement Project Deliverables

Product	Description
Customer portal	Stores customer data, such as contact details, vehicle data, previous routes applied for and status of current applications.
Road manager portal	Processes road manager consents, provides reporting capabilities at a national and local level, and has the ability to provide additional business support tools to align the consent process with national operational business rules.
NHVR portal	Reduces the current levels of manual processing, improves data quality, introduces work allocation and performance monitoring, provides case officers with a single environment to process permits, and improves the current reporting and data analysis functionality.
Smart forms	Streamlines applications, validates data at point of entry and reduces data entry requirements for the NHVR and road managers.
Geospatial information system enhancements	Improves data sharing processes, and functionality improvements to the Journey Planner product.

Source: NHVR AccessCONNECT Program Plan, August 2015

Permit Improvement Project

The Permit Improvement Project (PIP) aims to implement effective and efficient permit processes to ensure it addresses stakeholder expectations collectively with a core focus on improving the outcomes for industry.

While SEP aims to eliminate lengthy manual processes through automation and streamlining permit steps, this project aims to ensure that basic tools, agreements and approaches that are used are consistent and understood by the road authorities and road managers. Figure E2 shows the products that this project aims to deliver.

Figure F2 Permit Improvement Project Deliverables

Product	Description
Risk management framework	For heavy vehicle permits, decision matrix and associated tool(s) to support risk based decision-making processes.
Streamlined processes for permits	Including a fast track process for lower risk permits with clear target timeframes for all applications. This will ensure consistent decision timeframes by complexity or type.
Library of standard conditions	Including associated supporting information (i.e. Statement of Reasons) for Road Managers and NHVR to apply to permits.
Road Manager tools and guidelines	To assist the decision making process, included into an integrated knowledge base linked to the permit system.

Source: NHVR AccessCONNECT Program Plan, August 2015

Appendix G — Pre-HVNL access permit arrangements

Access permit arrangements prior to the Heavy Vehicle National Law

Queensland

The Department of Transport and Main Roads (DTMR) issued guidelines and permits under sections 48 and 51 of the *Transport Operations (Road Use Management—Mass, Dimensions and Loading) Regulation 2005* (Qld).

DTMR engaged with local government at different levels when issuing guidelines or permits for restricted access vehicles to use local roads. It obtained consent from a local government before allowing access for restricted access vehicles such as B-doubles and road trains.

However, operators seeking approval for both an oversize and overmass vehicle and load had to apply to the DTMR for the overmass permit as well as the Queensland Police Service (QPS) for the oversize permit. For oversize permits, operators also had to seek a letter of no objection from DTMR to present to the QPS before the QPS would issue the permit. DTMR's practice was to issue permits with conditions requiring operators to seek consent from relevant local governments, other road managers and utilities. The Regulation provided the permit was void if the operator contravened a condition.

Prior to 2011, DTMR and/or QPS regional offices issued access permits. In the case of QPS, 353 different police stations in Queensland could issue permits. QPS was and still is, responsible for arranging police escorts (pilots) for certain oversize vehicle movements.

In 2011, in the aftermath of the Queensland floods, DTMR and QPS entered into a partnership arrangement to co-locate key access decision makers in a central office in Brisbane (the Heavy Vehicle Road Operations Project Office or HVROPO). The arrangement includes officers from DTMR and QPS as well as other entities involved in issuing access permits including Energex, Aurizon and Queensland Rail. These entities use a common permit management information system.

The intent of the arrangement was to facilitate faster access decisions by having relevant state government and other entities working together.

New South Wales

The Minister, or Roads and Maritime Services (RMS) as delegate, issued most restricted access vehicle notices and permits under regulations 12, 15, 20, 21, 25, 27, 34 and 35 of the *Road Transport (Mass, Dimensions and Loading) Regulation 2005* (NSW).

Local government had delegation to issue notices that extended to local roads for which they were responsible related to the networks for:

- heavy vehicles up to 4.6 metres high
- B-doubles
- road trains.

RMS could amend or repeal any notices issued by local government. Local governments also had to comply with the Route Assessment Guidelines for Restricted Access Vehicles when approving routes.

Victoria

VicRoads issued notices and permits under regulations 178, 180, 188, 190, 194 and 196 of the *Road Safety (Vehicles) Regulation 2009* (Vic).

VicRoads engaged in different levels of consultation with local government before issuing notices or permits. Usually VicRoads would obtain consent from the local government before allowing restricted access vehicles such as B-doubles to use local roads.

VicRoads may have included a condition on an oversize or overmass vehicle permit requiring the operator to obtain consent from relevant local governments before starting a trip.

Tasmania

The Department of Infrastructure, Energy and Resources (DIER) issued notices and permits under regulations 45 and 49 of the *Vehicle Traffic (Vehicle Operations) Regulations 2001* (Tas).

Local government were involved in most restricted access vehicle decisions. DIER sought their written consent before issuing a permit allowing a vehicle to exceed a load limit sign.

When considering extensions to the higher mass limits (HML) and B-double network, DIER engaged directly with local government before making a decision to extend these networks.

DIER issued permits for oversize and overmass vehicles and special purpose vehicles subject to a condition that if the operator intends to use the vehicle on local roads, it must first obtain approval of the road owner.

South Australia

The Minister for Planning, Transport and Infrastructure issued exemptions and permits under sections 161A and 163AA of the *Road Traffic Act 1961* (SA).

The Department of Planning, Transport and Infrastructure's (DPTI) Heavy Vehicle Access Framework included route access guidelines that acknowledge the role of local government. When granting exemptions for operation on roads for which the care and control is vested in local governments, the department sought to preserve the structural, safety and environmental integrity of the local government road system.

DPTI's practice when issuing oversize and/or overmass permits was for the applicant to provide the relevant clearances from local government. The Policy for the Transport of Oversize and Overmass Indivisible Loads and Vehicles, advised that operators of oversize and/or overmass vehicles with a mass less than 100 tonnes or a width under five (5) metres may be granted access for a short-term permit (up to one month's duration) without prior local government approval.

Northern Territory

The Department of Transport issued exemptions from mass and dimension requirements under section 57 and 59 of the *Motor Vehicles Act* (NT).

Permit Guidelines for Oversize and Overmass Vehicles required that local government approve a trip when the width of the load exceeds five or six metres (depending on the route of travel). Operators were required to provide evidence of local council approval to the Motor Vehicle Registry to allow sufficient time to process the application and not less than three days prior to the proposed movement.

Auditor-General Reports to Parliament

Reports tabled in 2015–16

Number	Title	Date tabled in Legislative Assembly
1	Results of audit: Internal control systems 2014–15	July 2015
2	Road safety—traffic cameras	October 2015
3	Agricultural research, development and extension programs and projects	November 2015
4	Royalties for the regions	December 2015
5	Hospital and Health Services: 2014–15 financial statements	December 2015
6	State public sector entities: 2014–15 financial statements	December 2015
7	Public non-financial corporations: 2014–15 financial statements	December 2015
8	Transport infrastructure projects	December 2015
9	Provision of court recording and transcription services	December 2015
10	Queensland state government: 2014–15 financial statements	December 2015
11	Management of privately operated prisons	February 2016
12	Follow up Report 12: 2012–13 Community Benefits Funds: Grant Management	February 2016
13	Cloud computing	February 2016
14	Financial risk management practices at Energex	April 2016
15	Queensland public hospital operating theatre efficiency	April 2016
16	Flood resilience of river catchments	April 2016
17	Results of audit: Local government entities 2014–15	May 2016
18	Results of audit: Education sector entities 2015	May 2016
19	Early childhood education	June 2016
20	Heavy vehicle road access reforms	June 2016

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