

Productivity Commission Draft Report: National Transport Regulatory Reform – November 2019

Northern Territory Government Submission

Introduction

The Northern Territory Government welcomes the opportunity to provide a submission to the Productivity Commission's Draft Report into National Transport Regulatory Reform (Productivity Commission Report).

The Northern Territory Government is supportive of the broad strategic intent of the three national regulators and to the concept of a risk-based approach to regulation that supports productivity and achieves real safety outcomes.

This submission is in addition to the information provided by officers of the Department of Infrastructure, Planning and Logistics to the Productivity Commission on 27 May 2019 in Darwin, regarding the Northern Territory Government's involvement in national transport regulatory reform.

The Northern Territory position on and comments in relation to a number of the Productivity Commission Report's findings, recommendations and information requests, is provided at Attachment A to this submission.

Background

As outlined in the Productivity Commission Report, the Northern Territory has facilitated the transition to both the national rail and marine regulators. While in 2014 the Northern Territory Government made a decision to not implement the Heavy Vehicle National Law (HVNL), this decision was made following extensive consultation with industry. At that time, neither the productivity or safety benefits to the Northern Territory could be demonstrated.

It is acknowledged that the marine, rail and heavy vehicle industries have varying regulatory histories and legacy issues, and are at different stages of national consistency. These factors have influenced the development of national regulation and the different approaches taken. However, at that time the Council of Australian Governments (COAG) endorsed the three national regulators in 2009, there was no agreement to key principles that would support their implementation, including the legislative framework, data and reporting, and funding models, including the pathways to full cost recovery. As a result, the regulators have adopted vastly different approaches, which the Productivity Commission's draft recommendations are seeking to rectify.

The Northern Territory supports changes to legislation and regulation arrangements only if the productivity and safety gains can be clearly demonstrated. Any future decision should also be informed by the substantial amount of work that is currently underway through the Transport and Infrastructure Council (TIC) work program and relevant working groups, as well as by other bodies, such as the National Transport Commission (NTC).

A Northern Territory Context

The Northern Territory's small population of approximately 244,500 people is dispersed over an extensive geographic area of 1.3 million square kilometres. Nearly one third of the population is Aboriginal and nearly 80 per cent of these live outside the greater Darwin area.

The Northern Territory's long distances, remoteness from other Australian major centres and many isolated communities means that transport across all modes is vital for the Territory's social and economic wellbeing and growth. Approximately two thirds of the Northern Territory's land freight is moved on the road network, with the north-south road and rail corridor accounting for 70 per cent of the Territory's total land freight task.

The viability and productivity of the Northern Territory's major industries – including the resource, agribusiness, tourism and defence sectors - is heavily reliant on effectively regulated and affordable transport and logistics systems.

Conclusion

As outlined throughout this submission, the Northern Territory Government supports recommendations that aim to increase productivity and safety benefits through national transport regulation, while minimising the cost and regulatory burden on industry.

The Northern Territory looks forward to continuing to work with all jurisdictions, bodies and industry on national reform and cross-border consistency issues.

The Northern Territory Government is available to provide further information to the Productivity Commission in regard to issues raised in this submission.

Comment in Relation to Findings, Recommendations and Information Requests

Implementation and effectiveness of regulators, and review of functions

Draft Finding, Recommendation or Information Request	Northern Territory Government Position or Comment
<p><i>Draft Finding 4.1 – Implementing national transport regulation and establishing national regulators has been slower than anticipated. Both the regulation and the regulators are works-in-progress. Creating a national regulatory system is complex and time consuming, with early expectations proving to be optimistic.</i></p>	<p>The Northern Territory agrees with Draft Finding 4.1.</p> <p>The Northern Territory's heavy vehicle industry is predominantly comprised of small businesses, with approximately 90 per cent of operators owning five or less trucks. While the Territory signed the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform in 2011, it made a decision not to implement the HVNL until the benefits to local industry could be clearly demonstrated. This decision was strongly supported by the Northern Territory's heavy vehicle industry. This position was also supported by a cost benefit analysis undertaken at that time, which concluded that benefits to the Northern Territory could be as low as \$1.3 million over a 22 year period (compared with over \$300 million minimum benefits for each eastern state).</p> <p>The Northern Territory Government's concern was that implementation of the HVNL would have the opposite effect of the intended outcomes of the IGA: it would have little benefit for the Territory's predominantly small businesses, while increasing regulatory burden and the cost of compliance. The Northern Territory has an open access regime with the highest productivity vehicle combinations in use, including Higher Mass Limits, operating as-of-right across the network, including to all key freight routes and industrial areas (unless specific restrictions apply). The Northern Territory does not suffer the first and last mile issues experienced in most other jurisdictions.</p> <p>The Territory's approach has been to provide minimum regulatory burden on industry to deliver maximum efficiency. This includes a work health and safety framework to provide a more flexible and risk-based approach to fatigue management for heavy vehicle operations, in support of local industry's position that the HVNL regime was not workable in remote areas. However, while not a HVNL jurisdiction, the Northern Territory has agreed to harmonise with the HVNL as much as possible where there are benefits for operators crossing the border into the Northern Territory.</p> <p>As outlined by the Productivity Commission, heavy vehicles can travel relatively freely into the Territory without additional costs.</p> <p>The Northern Territory Government supports the review of the HVNL and RSNL by the NTC, with the review outcomes and recommendations to inform any commitment, which must be managed through the TIC to COAG.</p>

Productivity Commission Draft Report: National Transport Regulatory Reform – November 2019

<p><i>Draft Recommendation 4.2 – The national regulators should phase-out Service Level Agreements (SLAs) with State and Territory agencies by absorbing these functions at the earliest opportunity. Where there is a business case to use SLAs with third parties, those parties should act under the direction of the national regulators to ensure consistent decisions across jurisdictions.</i></p> <p><i>Draft Recommendation 7.2 – TIC should agree to have all regulatory functions still held by participating jurisdictions transferred to the National Heavy Vehicle Regulator (NHVR) no later than 1 January 2022.</i></p>	<p>These Draft Recommendations are not applicable to the Northern Territory.</p> <p>All marine and rail regulatory functions within the Northern Territory are already provided by their respective national regulators, and the Territory is a non-participating jurisdiction in relation to the NHVR.</p> <p>Any transfer of NHVR functions should be informed by the outcomes of the NTC HVNL Review and the NHVR Service Transition Assurance Review, with timeframes established as appropriate to enable effective implementation.</p>
<p><i>Draft Finding 4.2 – There are many derogations by jurisdictions to the national laws. There are over 70 derogations from the HVNL and over 80 derogations from the RSNL. Some derogations create unnecessary costs and complexity for industry and regulators. These derogations are contrary to the objectives of COAG’s harmonisation reforms.</i></p> <p><i>Draft Recommendation 4.1 – TIC should request that the NTC undertake a review of significant derogations from the HVNL and the Rail Safety National Law (RSNL), with the aim of reducing regulatory inconsistency. COAG should commit to altering or removing derogations, or altering the national laws, to achieve best practice regulation.</i></p>	<p>The Northern Territory supports Draft Recommendation 4.1.</p> <p>The only derogations in the Northern Territory are Drug and Alcohol Management provisions relating to the RSNL. These derogations were agreed in the national law and provide for the application of alcohol and drug testing in the Northern Territory.</p> <p>RSNL derogations outlined in the Productivity Commission Report as representing inconsistencies are Drug and Alcohol Management and Fatigue Management. These derogations can only be resolved through the unanimous agreement of members of TIC. However, they were considered by the Council in 2017 and 2019 and a national approach could not be agreed.</p>
<p><i>Draft Finding 6.4 – The productivity gains from the reforms so far are much less than expected, although there is scope in the future for greater improvements at Performance-Based Standards vehicles become a larger proportion of the heavy vehicle fleet.</i></p>	<p>The Northern Territory agrees with Draft Finding 6.4.</p> <p>Productivity gains from the reforms are much less than expected. Performance-Based Standards vehicles are less relevant in the Northern Territory, given its open access regime and as-of-right access for the highest productivity vehicles. The Territory will not adopt national reforms that may result in a set-back in productivity as this has real implications for Northern Territory freight, industry and business viability and the cost of living.</p> <p>It is noted that Western Australia has experienced productivity increases, however isn’t a part of the NHVR.</p>
<p><i>Draft Finding 7.1 – The prescriptive approach of the HVNL impedes the NHVR from administering the law consistently with COAG’s objectives. A more outcomes-based approach to legislation and regulation would improve road safety, reduce the burden of compliance and administration, and increase the efficiency of road transport. The NTC, which is reviewing the HVNL, is well placed to recommend improvements.</i></p> <p><i>Draft Recommendation 7.1 – The Australian Government should lead efforts through TIC to reform the HVNL. It should encourage State and Territory governments to remove prescriptive material from the legislation and to include an explicit mandate for the NHVR to take a risk-based approach to its functions.</i></p>	<p>The Northern Territory supports Draft Recommendation 7.1, which is already being addressed in the HVNL Review.</p> <p>While the Territory has not applied the HVNL, the Northern Territory supports the reform of the HVNL and a risk-based approach to NHVR functions and is involved in the NTC’s review. The key intent of the review is to encourage the removal of prescriptive material from legislation and provide a risk-based approach to functions.</p> <p>It is important that this review demonstrate how the NHVR and industry can effectively manage a well-administered risk-based regime that takes into account the capacity of all types and sizes of affected businesses, across all different operating environments throughout Australia.</p>

Compliance costs, incident reporting and data

<p><i>Draft Finding 10.2 – There are different approaches to cost recovery in each of the three modes, from near full cost recovery in rail, to very limited cost recovery in heavy vehicles and maritime. The amount of government funding received by each national regulator reflects these arrangements.</i></p> <p><i>Draft Recommendation 10.2 – The national regulators (particularly the NHVR and the Australian Maritime Safety Authority (AMSA)) should move towards cost recovery arrangements in line with the Australian Government Cost Recovery Guidelines. Consistent arrangements across the three transport regulators will eliminate the risk of distorting intermodal choices.</i></p>	<p>The Northern Territory supports Draft Recommendation 10.2 in principle.</p> <p>The Northern Territory queries the Productivity Commission’s finding that there is very little cost recovery from industry for the NHVR, noting that funding from jurisdictions recorded as ‘Government funding’ (page 347 of the Productivity Commission Report), is in fact the regulatory component of annual registration charges paid by industry and passed onto NHVR by participating jurisdictions.</p> <p>The Northern Territory Government acknowledges that it has always been a requirement for all three regulators to move to full cost recovery. However, the Territory is concerned at the impact full cost recovery will have on industries already under pressure. Moving to full cost recovery may cause a large number of small businesses to cease operations.</p>
<p><i>Draft Finding 6.7 – There is little evidence at this stage that compliance costs for businesses have fallen. Each regulator is pursuing changes that should help reduce costs in the future.</i></p>	<p>The Northern Territory agrees with Draft Finding 6.7.</p> <p>The Northern Territory Government supports minimising costs and regulatory burden on industry, particularly the Territory’s heavy vehicle and marine industries that already face high operating costs.</p> <p>While the Northern Territory supports reducing regulatory burden through efficiencies that may be gained through national regulation, it should be noted that other Productivity Commission recommendations in this report may lead to a need for further cost recovery, such as those costs relating to additional data collection or the expanded role of ATSB in accident investigation functions, etc.</p>
<p><i>Draft Finding 6.6 – Data on the compliance costs for businesses for the three national regulators are not routinely collected, monitored and published.</i></p> <p><i>Draft Recommendation 6.5 – The NHVR, the Office of the National Rail Safety Regulator (ONRSR) and AMSA should monitor the compliance and administrative costs created by the national regimes and report on the level and change in these costs in periodic (say 3 yearly) reporting. The first report should be published in 2020 to establish benchmark costs.</i></p>	<p>The Northern Territory supports Draft Recommendation 6.5, but recommends that pre-regulation cost benchmarking be established.</p> <p>The Northern Territory agrees that regulators should monitor the compliance and administrative costs created by the national regimes and report on these costs in periodic reporting. However, the Northern Territory strongly recommends that <u>pre</u>-national regulation compliance and administrative costs must set the benchmark for all three industries to correctly quantify the level of change.</p>
<p><i>Draft Finding 6.3 – The NHVR has a well-developed information system that allows for effective management of its operational commitments. The NHVR is taking a strategic approach to the collection and use of data and this will allow it to target its activities better. It will also be able to drive broader policy change to improve productivity and safety.</i></p> <p><i>Draft recommendation 5.4 – AMSA should improve: incident reporting by owners of domestic commercial vessels; its public disclosure of safety incidents by increasing the depth and detail of reported incidents. Reporting should include a state-by-state and vessel-type breakdown of fatalities and injuries. The Australian Government should request and fund the Australian Transport Safety Bureau (ATSB) to conduct</i></p>	<p>The Northern Territory supports Draft Recommendations 5.4, 6.3 and 7.3 in principle.</p> <p>Further to this, the Northern Territory believes that all three regulators need to report in a more consistent manner and more safety data from all regulators is required. However, the Northern Territory again expresses concern at the cost associated with these system improvements and the requirement for industry to pay, increasing the cost burden on industry.</p>

<p><i>investigations and publish research on safety incidents and accidents among domestic commercial vessels.</i></p> <p><i>Draft Recommendation 6.3 - The NHVR should continue improving its data management processes, including how data are stored, integrated, analysed and reported.</i></p> <p><i>Draft Recommendation 7.3 – TIC should direct the NHVR to undertake the comprehensive collection and reporting of key safety risks and outcomes, similar to the ONRSR’s annual Rail Safety Report.</i></p>	
<p><i>Draft Finding 6.8 – The Chain of Responsibility reforms appear to be resulting in greater focus on all parts of the supply chain on compliance systems. However, the proliferation of in-house systems may raise the compliance burden for transport contractors. Industry could play a stronger role in determining common standards for the heavy vehicle industry. In the rail industry this role is undertaken by the Rail Industry Safety and Standards Board.</i></p>	<p>The Northern Territory agrees with Draft Finding 6.8.</p> <p>The proliferation of Chain of Responsibility compliance systems is already providing serious consequences for small operators in the heavy vehicle industry that have multiple contracts.</p>

Marine – grandfathering and return of responsibilities to jurisdictions

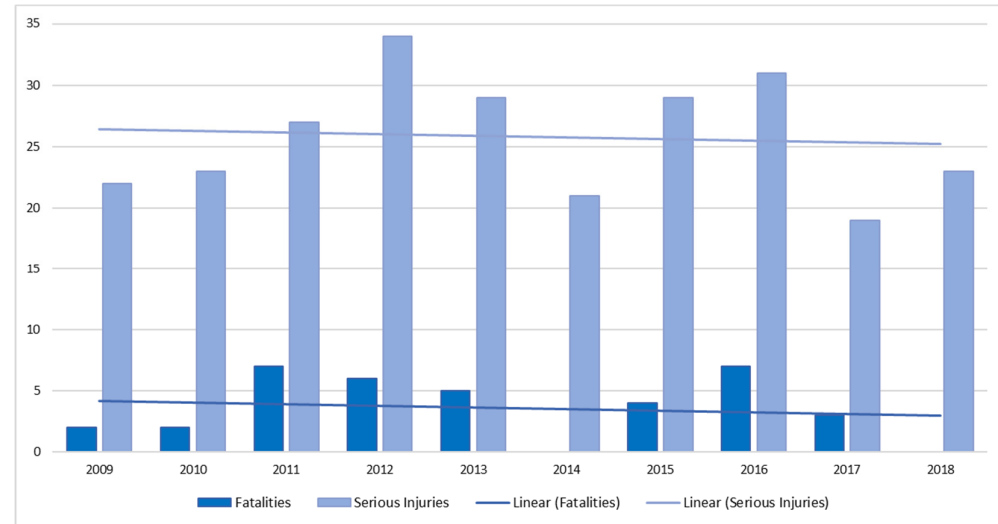
<p><i>Draft Finding 4.3 – Grandfathering was intended to smooth the transition to the Marine Safety National Law. However, open-ended grandfathering maintains the inconsistencies of previous State and Territory regimes, delays the adoption of new safety standards, complicates enforcement and discourages investment in new vessels and equipment.</i></p> <p><i>Draft Recommendation 5.5 – COAG and AMSA should begin to wind up the grandfathering of safety regulations under the Marine Safety National Law, with priority given to ending grandfathered exemptions from vessel survey requirements. AMSA should not maintain grandfathering of survey requirements through marine orders or exemptions. COAG and AMSA should review all other grandfathering provisions under the MSNL. Unless found to be justified through a transparent, public cost-benefit assessment, all grandfathering provisions should be phased out within the next 5 years.</i></p>	<p>The Northern Territory does not support Draft Recommendation 5.5.</p> <p>While agreeing with the principle of the need for consistency between jurisdictions, the Northern Territory Government does not support this draft finding and recommendation. There are approximately 600 grandfathered survey exempt vessels in the Northern Territory, approximately 500 of which are commercial fishing vessels (mainly under five or eight metres), with the remaining 100 including police and parks and wildlife vessels under five metres. If grandfathering was removed, most of these vessels would not be able to meet survey requirements and the cost to meet full survey standards would be prohibitive.</p> <p>The Northern Territory’s position is that vessels which met regulatory and safety requirements at the time of their initial survey and are currently approved for grandfathering provisions should retain this status if exemption requirements continue to be met.</p>
<p><i>Draft Finding 7.2 – The broad scope of AMSA’s responsibilities is an impediment to effective regulation of domestic commercial vessels. Safety regulation of ‘Hire and Drive’ recreational vessels could be undertaken effectively by State and Territory government agencies, which already regulate similar vessels that are not used for commercial activities.</i></p> <p><i>Draft Recommendation 7.4 – The Australian Government should negotiate with State and Territory governments to return responsibility</i></p>	<p>The Northern Territory does not support Draft Recommendation 7.4.</p> <p>The Northern Territory considers that the responsibility for Class 4 Domestic Commercial Vessels (Hire and Drive), or any other function currently with AMSA, should remain the responsibility of AMSA.</p> <p>Through the national reform process, extensive work was undertaken to determine the classification of a commercial vessel and what functions should sit with the national regulator and jurisdictions. As a result of reforms, the Northern Territory Government also restructured its marine agency and regulatory regime to effect the move to national regulation.</p>

<p><i>for regulating Class 4 Domestic Commercial Vessels (Hire and Drive) to State and Territory agencies. COAG should consider the benefits and costs of returning regulatory responsibilities for other vessel types to State and Territory governments.</i></p> <p><i>Information Request 7.2 – Are there activities within AMSA’s responsibilities that COAG should consider returning to State and Territory oversight?</i></p>	<p>The broad remit of national regulators is evident in the aviation industry, where the Civil Aviation Safety Authority, as the national regulator of Australian aviation safety, undertakes that role across all aspects of the civil aviation industry, including sport aviation. This is comparable with the role AMSA is currently undertaking with hire and drive vessels. The Northern Territory is not aware of any element of aviation regulatory role which has been returned to or is undertaken by a state or Territory based agency.</p>
<p><i>Information Request 5.2 – The Commission is seeking additional information about the operation of the vessel survey regime, including: the appropriateness of the existing survey requirements for each vessel category; any serious impacts on safety outcomes following the changes to the vessel survey regime.</i></p>	<p>The Northern Territory provides direction on Information Request 5.2.</p> <p>Given that the Northern Territory is no longer responsible for marine regulation, the Productivity Commission should seek information on the operation of the vessel survey regime from AMSA.</p>

Heavy vehicle safety and fatigue management

<p><i>Draft Recommendation 5.1 – State and Territory governments should seek to improve general road users’ understanding of driving safely in the vicinity of heavy vehicles through education and enforcement measures.</i></p>	<p>The Northern Territory currently undertakes activities in line with Draft Recommendation 5.1.</p> <p>Safety, including road safety, is a top priority for the Northern Territory Government. The Territory’s <i>Towards Zero Road Safety Action Plan 2018-22</i> includes an action to strengthen driver training, including the interaction with heavy vehicles. This is supported by driver awareness campaigns aimed at both Territorians and the large number of tourists and visitors that interact with heavy vehicles on the Territory road network.</p> <p>The Northern Territory Government also undertakes fatigue management and other infrastructure upgrade programs aimed at improving heavy vehicle safety, in partnership with the Australian Government. This includes undertaking a rolling program of pavement strengthening and widening works and provision of truck parking bays on key freight routes throughout the Territory. The Northern Territory has also implemented the National Heavy Vehicle Drive Competency Framework, which provides nationally consistent competency assessment standards for a heavy vehicle licence.</p>
<p><i>Draft Finding 5.1 – There have been significant improvements in heavy vehicle safety over the past decade, with the number of heavy vehicle crashes involving injury or death per kilometre travelled decreasing by 40 per cent between 2008 and 2018. The fall in crash rates is consistent with longer term trends and is likely to be due to factors affecting all vehicle types such as improvements in road infrastructure and safer vehicle design.</i></p> <p><i>Draft Finding 5.2 – Most multi-vehicle fatal crashes involving a heavy vehicle are not the fault of the heavy vehicle driver – in 2017, the driver of the other vehicle was at fault 83 per cent of the time. For serious, non-fatal, multi-vehicle crashes involving a heavy vehicle, the heavy vehicle driver was at fault 65 per cent of the time (2017).</i></p>	<p>The Northern Territory provides the following update on Territory heavy vehicle crash statistics.</p> <p>For the ten year period from 2009 to 2018, crashes involving a heavy vehicle accounted for (on average) 8.45 per cent of fatal crashes and 4.99 per cent of serious injuries. As shown in Figure 1 below, the Northern Territory has experienced a declining trend in the number of fatalities and serious injuries involving a heavy vehicle over this timeframe, although not to the extent of the 40 per cent decrease advised by the Productivity Commission Report.</p>

Figure 1 – Fatalities and Serious Injuries involving a Heavy Vehicle: Northern Territory – 2009 to 2018



Draft Recommendation 5.2 – COAG should amend the HVNL to give the NHVR greater scope to provide concessions from prescribed aspects of fatigue management regulation, where the NHVR is satisfied that more effective systems of fatigue management are in place, such as technology-enabled management systems, and/or accredited management systems. Driver fatigue laws should continue to set outer limits on driving hours.

This Draft Recommendation is not applicable to the Northern Territory, but is supported.

As outlined in the Productivity Commission’s Report, the Northern Territory’s fatigue management is set out in Work Health and Safety legislation, and uses a performance-based system that focuses on outcomes, not processes. The Northern Territory Government is supportive of this risk-based approach continuing: if safety can be demonstrated by an operator, don’t intervene.

From a national perspective, there is a need to ensure that small businesses with safe practices that do not have the capacity to implement more advanced systems are not placed at a competitive disadvantage compared to larger operators receiving concessions.

Draft Finding 5.3 – The lack of effective mutual recognition of heavy vehicle accreditation between WA and other jurisdictions that have adopted the HVNL is counter to the objectives of the harmonisation agenda and does not promote safety. Operators bear the costs of meeting the requirements of different jurisdiction.

Draft Finding 5.3 is being addressed by the HVNL Review.

The mutual recognition of heavy vehicle accreditation between Western Australia and jurisdictions is being addressed as part of the NTC’s HVNL Review. Heavy vehicle accreditation is not mandated in the Northern Territory – any operator using any scheme can enter the Territory. However, the National Heavy Vehicle Accreditation Scheme maintenance management process is recognised for the purpose of providing exceptions for annual inspections.

Although operators (regardless of size) must have appropriate safety management systems in place to address Work Health and Safety laws, the Northern Territory has concerns with the administrative burden

Productivity Commission Draft Report: National Transport Regulatory Reform – November 2019

	associated with putting in place any of the current accreditation and auditing models being used in other jurisdictions. The Northern Territory Government is continuing to work with industry, the NTC and other jurisdictions to consider potential assurance models proposed as part of the HVNL Review.
<i>Information Request 5.3 – The Commission is seeking additional information about the situations where greater clarity is required between the operational jurisdiction of national transport regulators and workplace health and safety regulators and overlaps in their responsibilities. What options for rectification would be desirable?</i>	<p>Information Request 5.3 is being addressed by the HVNL Review.</p> <p>The HVNL Review will include an assessment of the overlap of national regulator and workplace health and safety responsibilities. A Memorandum of Understanding relating to domestic commercial vessels is currently in place between AMSA and NT WorkSafe.</p>

Rail safety national law

<i>Draft Finding 4.4 – Despite having one national safety law and one national safety regulator, rail operators face differing standards, operating codes and procedures, set by rail network owners. Differences across networks create costs and delays for above-rail operators.</i>	<p>The Northern Territory agrees with Drafting Finding 4.4, which is already being addressed through the Rail Action Plan.</p> <p>In November 2019, TIC approved the development of a Rail Action Plan which proposes actions on: rail specific construction operating and manufacturing skills and labour; common standards for components for rolling stock; common rules for operating on infrastructure; and opportunities to enhance the inter-operability of train control and communications.</p>
<i>Draft Recommendation 5.3 – COAG should commission an independent review of the fatigue management laws applying in the rail sector to examine the scope for further harmonisation. This could be included in the broader review into derogations proposed by this inquiry (draft recommendation 4.1).</i>	<p>The Northern Territory supports Draft Recommendation 5.3, which is already being addressed by the ONRSR.</p> <p>The Northern Territory Government supports the review of fatigue management laws applying to the rail sector, and recommends that the review be managed by TIC (reporting to COAG, as necessary). The ONRSR has already completed a review which has identified there is no evidence that fatigue is not managed well in the rail industry and there is no conclusive evidence that jurisdictions operating under a full risk based framework pose a greater rail safety risk than those with prescribed hours. In August 2019, TIC noted the review had been undertaken and no recommendations to change the laws were made. As the ONRSR's review also identified the need for greater clarity and guidance for fatigue management, the ONRSR will develop relevant comprehensive materials.</p>
<i>Information Request 5.1 – The Commission is seeking additional information about the operation and effectiveness of the RSNL in relation to interface agreements, including: the extent to which interface agreements are contributing to better safety outcomes; and options that could improve the negotiation process, and the extent to which risks are appropriately shared between road managers and rail operators.</i>	<p>The Northern Territory does not face the same issues as other jurisdictions in regard to its interface agreement for safety at road and rail crossings.</p> <p>The Northern Territory understands that compliance with existing interface agreements has improved in jurisdictions since the new penalty was established, however the ONRSR would be best placed to provide information on the effectiveness of agreements. Of note is that the ONRSR is also preparing guidance material for road managers in relation to interface agreement requirements.</p>

Heavy vehicle access

<p><i>Draft Finding 6.1 – Constraints around local government investment capacity and engineering expertise are limiting the effectiveness of the heavy vehicle reforms by preventing adequate assessment and upgrading of bridge and road infrastructure.</i></p> <p><i>Draft Recommendation 6.1 – Local governments should share engineering expertise and agree to consistent access arrangements for shared roads. The Australian Government should work with States and Territories to encourage this collaboration. States and Territories should report to the COAG in early 2020 on the status of this work.</i></p> <p><i>Draft Finding 10.1 – Some local governments are struggling to deliver timely heavy vehicle access assessments. While resourcing is important, more resources alone will not guarantee greater efficiency. Other factors including access to data and appropriate technical skills, and economies of scale in permit applications also contribute to greater efficiency.</i></p>	<p>Draft Recommendation 6.1 is not an issue in relation to the Northern Territory Government, and is supported in principle.</p> <p>In relation to Draft Finding 10.1, the Northern Territory’s open access regime and permit process for Oversize Overmass vehicles means that the Productivity Commission’s findings are not relevant in the Northern Territory.</p>
<p><i>Draft Recommendation 10.1 – COAG should provide support to ensure local government has the financial and technical capacity to deliver its role as asset manager for local roads. Transparency and accountability of performance should accompany any additional support, particularly with respect to processing times for access permits and the use of notices to gazette heavy vehicle routes. This should be pursued in the context of broader changes under the Heavy Vehicle Road Reform (HVRR) agenda.</i></p>	<p>The Northern Territory supports Draft Recommendation 10.1, which is already being addressed through the HVRR process.</p> <p>Over the longer term, the issues relating to these findings and the Productivity Commission’s recommendation that local government should have sufficient support to deliver its role as asset manager will also be addressed by the HVRR process.</p> <p>The principles of the HVRR process are supported by the Northern Territory Government. However, the Territory will continue to lobby for the consideration of the “community service obligation” nature of many areas of the Northern Territory, and the fact that many of the Territory’s local government authorities have an extremely low rate base and rely on grants to provide even basic services.</p>
<p><i>Draft Finding 6.2 – The complexity of the vehicle classifications has limited the progress of faster access approvals, through permits, pre-approvals and notices.</i></p> <p><i>Draft Recommendation 6.2 – The Australian Government should seek simpler heavy vehicle classifications through the NTC’s review of the HVNL for the purposes of access decisions. Additionally, the NHVR should provide more detail and effective guidelines to road managers.</i></p> <p><i>Draft Recommendation 6.4 – COAG should direct road managers (including the state road authorities) to work with the NHVR to rapidly expand key freight routes covered by notices and allowing as-of-right access for larger vehicle types. The focus of this work should include: expanding the networks available for heavy vehicles with performance characteristics equivalent to B-doubles (including Performance Based Standards level 2A and 2B B-doubles) and type 1 and 2 road trains</i></p>	<p>The Northern Territory supports Draft Recommendations 6.2 and 6.4, which are being addressed through the HVNL Review.</p> <p>The Northern Territory Government supports the principle of improved network access for larger heavy vehicles nationally, to improve more efficient cross border operations. Issues such as consistent access arrangements for shared roads, the expansion of key freight routes and allowing as-of-right access for larger vehicles nationally are also being addressed by building on the National Key Freight Routes Map.</p> <p>The provision of trucks stops on key freight routes and the development of logistics hubs near major urban centres has been a priority of the Northern Territory Government. In early 2019, the Truck Central transport hub was opened, providing a major service and maintenance facility which is strategically located near Darwin’s East Arm Wharf, Berrimah Rail Freight Terminal, Marine Supply Base and Darwin Fuel Terminal. Truck Central includes a heavy vehicle inspection facility that is unique in Australia, allowing for</p>

(including PBS equivalents); where there are classes of vehicles for which permit applications are almost universally approved, developing notices covering these vehicles; meeting infrastructure requirements such as truck stops and logistics centres near major urban centres, allowing larger vehicles to be broken down into smaller units where required by urban road network constraints.

Draft Finding 6.5 – There is scope to rapidly increase the number of gazetted routes, reducing the need for permit applications. In many cases, permit approvals are given as a matter of course for certain vehicle types; these approvals should be replaced with as-of-right access by gazette.

the inspection of up to three fully configured triple road trains without the need to disconnect trailers, as well as a road train assembly area and a re-fueling/dining stop.

Technology and automated vehicles

Draft Recommendation 8.1 – The Australian Government should amend the Australian Design Rules and in-service vehicle standards to allow for new transport technologies, including automated technologies, with proven productivity or safety benefits. The Australian Government should aim for national and international consistency of laws and standards where practicable, and accept safety devices adopted in other leading economies. COAG should investigate whether a ‘deemed to comply’ approach would be practical for some technologies.

Draft Recommendation 8.3 – The Australian Government should impose a general safety duty on all parties with a significant influence over the safe operation of autonomous transport technologies. The creation of a general safety duty should not preclude the use of prescriptive rules where the assessed risks are high.

The Northern Territory supports Draft Recommendations 8.1 and 8.3 in principle.

The Northern Territory is working with other jurisdictions, Austroads and the NTC on the development of a framework for the end-to-end regulation of automated vehicles. The Australian Government is already implementing a harmonisation program to align Australian Design Rules (ADRs) with European standards, and is implementing a framework to provide for the first supply of automated vehicles into the Australian market.

The Northern Territory Government agrees in principle with the Productivity Commission’s recommendations relating to automated vehicles. However, the Northern Territory is aware that in some instances, technologies are contributing to some heavy vehicles coming into conflict with the physical capacities and design standards of infrastructure, for example, steer axle mass and vehicle widths.

The impact on vehicle manufacturing, industry productivity, compulsory third party insurance and infrastructure are all key issues that need to be included in any consideration of automated vehicles.

Freight and data

Draft Recommendations 8.2 - The Australian Government should cooperate with stakeholders including Transport Certification Australia when developing the National Freight Data Hub. The Hub should include a national framework for the collection, storage, analysis and access of transport data, including telematics data. This framework should specify the data access powers of regulators, enforcement agencies and accident investigation bodies, and should enable these bodies sufficient access to undertake their respective tasks, while protecting privacy and confidentiality.

Draft Recommendation 9.1 – Governments (and their agencies) and industry should consider how best to harness logistics and telematics data to improve incentive-based safety regulation, with the aim of influencing

The Northern Territory supports Draft Recommendations 8.2 and 9.1, which are being addressed through the National Freight and Supply Chain Strategy, in principle.

The Northern Territory will continue to contribute to the National Freight and Supply Chain Strategy’s implementation through the National Action Plan. This includes contributing as a member of the working group which is involved in the development the National Freight Data Hub.

behaviours that increase safety and productivity. Governments and regulators should aim to facilitate the adoption of technologies by operators to generate and share data by: providing legal assurances about the acceptable use of such data; clarifying the value proposition to individual operators of their participation in data sharing regimes.

Draft Finding 9.1 – While some of the potential benefits of logistics data are specific to the individual operator, there are larger, broader benefits from the collection and integration of data across many operators. These broader benefits risk being underprovided if data generation and sharing are not facilitated.

Australian Transport Safety Bureau

Draft Recommendation 9.2 – The Australian Government should direct the ATSB to undertake a defined, targeted trial of incident investigation for heavy vehicles, with adequate additional resourcing for the task. Subject to the successful outcome of the trial, the Government should amend the Transport Safety Investigation Act 2003 to confirm investigation of incidents involving heavy vehicles as a function of the ATSB.

Draft Recommendation 9.3 – The Australian and State and Territory Governments should: formalise the role of the ATSB to investigate all serious incidents involving domestic commercial vessels, and agree to a funding model to support this role; agree to a funding model to enable the ATSB to adequately carry out its established role in the investigation of rail safety incidents.

Draft Recommendation 9.4 – The remit of the ATSB should be extended to include any incident where autonomous technologies at or above SAE level 3 autonomy may have been involved.

The Northern Territory supports thorough incident investigations, but is concerned at the cost and resource implications relating Draft Recommendations 9.2, 9.3 and 9.4.

Any consideration of expanding the investigation functions of the ATSB needs to fully identify and take into account:

- if the extent of the problem warrants an expansion of the ATSB's functions,
- the possible duplication of functions with jurisdictional based processes, and
- the additional new cost to industries which are already paying for their respective national regulators.

Further, consideration should also be given to the recent commitment by TIC to develop a National Road Safety Strategy, which will include actions to relating to heavy vehicle safety.