



Reforms to Heavy Vehicle National Law Consultation Regulatory Impact Statement

Submission

November 2023

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The MAV is the statutory peak body for local government in Victoria. While this paper aims to broadly reflect the views of local government in Victoria, it does not purport to reflect the exact views of individual councils. The submission to the Reforms to Heavy Vehicle National Law, Consultation Regulatory Impact Statement has been endorsed by the MAV Executive.

1 Introduction

The Municipal Association of Victoria (MAV) is the peak representative and advocacy body for Victoria's 79 councils. The MAV was formed in 1879 and the *Municipal Association Act 1907* appointed the MAV the official voice of local government in Victoria.

Today, the MAV is a driving and influential force behind a strong and strategically positioned local government sector. Our role is to represent and advocate the interests of local government; raise the sector's profile; ensure its long-term security; facilitate effective networks; support councillors; provide policy and strategic advice, capacity building programs, and insurance and procurement services to local government.

The MAV welcomes the opportunity to contribute to the *Reforms to Heavy Vehicle National Law Consultation Regulation Impact Statement (C-RIS)*. Victorian councils support efficient freight services that deliver local, regional and national economic benefits, jobs, and sustainable business growth. However, we have serious concerns about the proposals outlined in the paper.

In Victoria, councils manage 87 per cent of the road network which is in excess of 130,000 kilometres. Councils also own and manage supporting infrastructure such as bridges, culverts and drains. In rural and regional areas, limited council revenue and large road network responsibilities mean road maintenance takes up a large proportion of council budgets.

Of the three areas of focus in the C-RIS (fatigue, access and accreditation), this submission will focus on access. It outlines our concerns about granting easier as-of-right access to heavier, taller and longer vehicles. The first section provides context to our lack of support for the options by outlining access-related issues and considerations for local government. The second half of the submission responds to relevant options outlined in the C-RIS.

2 Key issues

2.1 Misalignment of costs and benefits.

An ongoing and significant issue for local government in relation to many heavy vehicle reforms is the mismatch between the flow of costs and benefits to industry and councils. Benefits flow to industry and, to a lesser extent the broader community, through improved productivity. Costs, typically through increased pavement wear and other infrastructure and asset management impacts, flow to local government. This is a key issue of financial sustainability for local government. This is particularly so in Victoria where rate capping artificially constrains local government revenue.

The C-RIS acknowledges that a number of the proposed changes to mass, height and length will increase costs and impacts on road managers, including local government, but does not consider how these additional costs are to be met. While we welcome the Commonwealth's

recent announcement of increased funding for local roads, they are playing catch-up on a backlog of funding gaps rather than facilitating a ‘future ready’ road network.

2.2 First and last kilometre of our freight network

Local infrastructure contributes to national productivity by providing the ‘first and last kilometre’ for our freight network. National and state road networks provide important movement functions, while the local road network that provides access.

The C-RIS makes the statement that despite the fast-growing national freight task and improvements in vehicle safety over time, these have not been reflected in expanded general access.

For councils, vehicle safety is not the key driver for providing access. Victorian councils face a number of challenges in managing local road infrastructure. In addition to increased traffic and freight movement, recent declines in Federal and State funding to support asset maintenance, increasing infrastructure costs, along with the introduction of the rate cap seven years ago, have all contributed to degraded local road infrastructure in Victoria. Local roads are also being put under increasing pressure by changes to heavy vehicle mass and size limits.

[MAV and FinPro research](#) shows that asset renewal has not kept pace with depreciation. Further, compounding extreme weather events – including the October 2022 floods which affected 63 of Victoria’s 79 councils – damage road infrastructure and disrupt supply chains.

Well-maintained, safe and efficient freight routes are essential to meeting the current goals set out in the RIS. Recent announcements by the Federal Government on 19 November 2023, foreshadowing increased to Roads to Recovery funding and a new Safer Local Roads and Infrastructure program, are a step in the right direction, but more must be done to make sure our network is ready to accept heavy vehicles and can be maintained and renewed in a sustainable way.

2.2 Challenges of decarbonising freight transport

The transport sector is responsible for 25 per cent of Victoria’s carbon emissions. Decarbonisation of freight transport will play an essential role in meeting the Victorian Government’s target of net zero emissions by 2045. With electric and hydrogen fuel cell heavy vehicles being heavier compared to diesel vehicles, it is anticipated that councils will need to make upgrades to road infrastructure to accommodate zero emissions heavy vehicles.

The MAV and councils are strong supporters of climate change action. The transition to zero emissions heavy vehicles will place added pressure on councils that are already struggling to maintain existing road infrastructure. Councils will need the right fiscal, technical and regulatory support to continue providing heavy vehicle access with confidence.

Many councils will require technical support to assess their network for at-risk infrastructure. Identifying these assets will be a first step. Further work will be required to prioritise upgrades on priority freight routes to ensure the network has the resilience to withstand heavier loads and more frequent extreme weather events.

All levels of government must work together to meet the challenges presented by low and zero emission freight transport. This includes making the legislative, regulatory and policy changes that may be necessary to accommodate heavier zero emissions freight on our local road networks.

2.4 Health impacts of air pollution

By burning diesel, trucks produce dangerous air pollution. Transport-related air pollution causes 19,000 hospitalisations from heart and respiratory conditions and 66,000 cases of asthma each year, estimates the University of Melbourne [source](#).

It is thus imperative that any changes to heavy vehicle national law consider externalities such as health impacts and decarbonisation in assessing the relative impacts of different regulatory scenarios.

The transition to low and zero emissions vehicles will deliver more than just emission-reducing benefits if managed effectively, through balancing the requirements of infrastructure providers against the objectives of operators. But in the current environment, it will also require significant incentives. Expanded access requirements should only be considered for the leading-edge vehicles in terms of safety, productivity and emissions.

3 Recommendations in relation to consultation questions

Access Options Under Consideration:

<p>Option 4a: New General Mass Limits (GML) effectively replaces Consequential Mass Limits (CML). No additional mass allowance is provided for Euro VI vehicles.</p>

<p>Option 4b: New GML effectively replaces CML. The new GML allows for Euro VI increased tare mass.</p>
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<p>Option 5a: Increase prescribed height limit to 4.6m</p>

<p>Option 6a: Increase prescribed length limit to 20m for vehicles currently limited to 19m length</p>

Q 15 in the consultation paper asks “Which option (either 4a or 4b) would deliver the greatest benefits?”

The answer from a local government perspective is neither. The C-RIS acknowledges, “There would be increased cost to road managers due to increased pavement wear from heavier vehicles,” which may be “partly offset by reduced number of trips” (p.11).

We have no comment on Q 16 *“What are the main benefits for industry in simplifying mass limits to GML and HML?”*

Q17 asks *“Alternatively, would there be value in creating a “new CML,” as an incentive for mass accreditation, between the proposed “new GML” and current HML?”*

We are unsure where this recommendation has come from. We do not believe it has been endorsed by ITMM. We do not support its adoption.

Q18. *“Could reforms that make it easier for operators to operate at CML without the need for accreditation lead to any adverse outcomes to road safety or road infrastructure?”*

Accreditation was presumably implemented initially to ensure particular standards are met and an alternate assurance process would presumably be required to replace the current accreditation process. Removing the need for accreditation would need to be very carefully assessed and monitored to ensure that there is no adverse impact on safety.

Q19 *“Given increased vehicle height limits already available to operators through existing laws and notices targeted at specific supply chains, would a general increase in vehicle height allowances provide material productivity benefits (i.e. reductions in heavy vehicle trips)?”*

Q20 *“Could reforms that make it easier for operators to operate at increased vehicle height limits lead to any adverse outcomes to road safety or road infrastructure? Are there options (e.g. vehicle or load type limitations) to mitigate any increased risk of adverse outcomes?”*

If an increased vehicle height is permissible through permitting, then the only productivity benefit from increasing the vehicle height limit would be reduced permitting, not reduced trips.

If the intention is to change infrastructure design requirements by requiring a road network that automatically accommodates higher vehicles, then a narrow consideration of freight productivity is not an appropriate lens for policy consideration. While larger trucks may mean less trips, they can only drive where the network accommodates that size and weight. Over time, if larger vehicles are permitted “as of right”, pressure will be brought on infrastructure managers to accommodate the expanded vehicles.

The proposal for a general increase in vehicle heights is not supported.

Q21 *“Given increased vehicle length limits already available to operators through existing PBS schemes and notices, would a general increase in vehicle length limits provide material productivity benefits (i.e. reductions in heavy vehicles trips)?”*

The benefits of keeping increased vehicle lengths within the purview of the PBS scheme ensures that appropriate route assessments are undertaken to ensure the safe movement of these vehicles on local road networks managed by councils. While it seems likely that industry will benefit materially from increasing general access vehicle lengths from 19m to 20m, it is unclear if road networks, particularly local road networks managed by councils (which can be significantly more constrained), can support trucks running at 20m in length without the requirement for route assessments. Evidence would need to be presented to support the case

that increasing vehicle lengths will not result damage to council infrastructure and/or adverse road safety outcomes on local roads.

This proposal to increase vehicle lengths is not supported.

MAV have no comment on Q 22 *“Could an increase in vehicle length limits enable newer, more innovative vehicle/trailer designs? What types of supply chains could benefit?”*

Q23 *“Could reforms that make it easier for operators to operate at increased vehicle length from 19 to 20m lead to any adverse outcomes for road safety or road infrastructure? Which risks would any regulatory conditions mitigate and controls could be put in place?”*

Yes, increasing vehicle lengths could cause adverse outcomes. Routes where longer than standard vehicles are proposed to operate can be assessed and considered for appropriate operation. If longer vehicle lengths were to be considered for the entire road network, a similar assessment would be required to consider potential adverse outcomes for road safety and road infrastructure associated with change swept paths.

The proposal to increase vehicle length is not supported.

Q24. *“Do you have any comments on the cumulative impact of increasing general access limits for vehicles mass, length and height? Please give reasons and evidence where possible.”*

The cumulative impact of heavier, taller and longer vehicles is not a positive outcome for local road managers. Some impacts are known, such as increased wear and damage from heavier vehicles with no offsetting compensation for the road manager. Longer vehicle impacts are unknown, requiring more detailed assessment, however the risk of kerb over runs, damage to road and street infrastructure and potential lane encroachments are likely to eventuate on some parts of the network. Taller vehicles will over time create a demand for changed infrastructure design standards and potentially attract limited funding away from other required infrastructure investment. The cumulative impact is certainly worse for road managers than the individual impact of one or more of the proposals. The proposed access changes are not supported.

4 Conclusion

MAV, on behalf of its member councils, remains committed to improving freight productivity and streamlining necessary approvals to facilitate heavy vehicle movements. We do not support the proposed changes to automatically permit heavier, longer and taller vehicles to operate on the network as proposed. Local roads are an essential link in supply chains and are typically the responsibility of local government as road manager. A lopsided policy proposal such as this, where benefits flow to the freight industry and costs and impacts flow to a resource constrained local government sector, cannot be supported.

Constant incremental increase in heavy vehicle impacts on local road networks have a cumulative impact on local government. Broader issues such as air pollution impacts, the need

for decarbonising freight and reducing fuel excise revenue require a fresh look at the future economics of improving freight productivity. Whilst this may not be within the remit of the NTC, it could be a recommendation to ITMM for consideration.