

NATIONAL COMPETITION POLICY

SUPPLEMENTARY SECOND TRANCHE ASSESSMENT

ROAD TRANSPORT REFORM

NATIONAL COMPETITION COUNCIL

31 MARCH 2000

Findings and Recommendations

The Council's second tranche assessment in June 1999 found that there had been significant progress against the Council of Australian Governments (CoAG) road reform program, with over 80 per cent of the second tranche program then in place. However, only New South Wales and Victoria had implemented all elements at the time of the assessment. This supplementary assessment considers progress with implementing the remaining reform elements in the seven jurisdictions which had not implemented the full second tranche program at June 1999.

The supplementary assessment has found that all jurisdictions except the Northern Territory continued to progress their second tranche reform programs consistent with the CoAG framework, and have now implemented, or are in the process of implementing the full program.

- South Australia, Tasmania and the ACT have passed legislation and drafted associated regulations to introduce the national vehicle registration and driver licensing reforms.
- Parliamentary schedules in Queensland and Western Australia suggest that the necessary legislation and regulations will be in place by 30 June 2000. The Commonwealth now expects to introduce the required legislation in the Spring sitting (beginning mid August) 2000.

There are no implications for competition payments arising from this assessment.

The Council proposes to conduct a further assessment for Queensland and Western Australia as part of the general supplementary assessment of progress in June 2000 to ensure the legislation is in place. The Council will consider recommending a reduction in the NCP dividend for 2000-01 at this time if jurisdictions have not completed their legislative commitments by 30 June 2000.

The Council notes that despite earlier assurances that the legislation would be in place by 30 June 2000, the Commonwealth alone expects to have legislation outstanding at this time. The Council will check the status of the Commonwealth legislation at the general supplementary assessment of progress in June 2000. At that time, the Council will consider whether the Commonwealth is in breach of its obligations.

Several jurisdictions have indicated that, apart from legislative action, there will be delays with 'on the ground' implementation due primarily to the time required for computer systems development and data conversions. Queensland, South Australia, Tasmania and the ACT all advised the Council that they will experience delays with aspects of the vehicle registration and driver licensing reforms. The Council was unable to clarify, within its reporting timeframe, Western Australia's timetable for on the ground implementation following the passage of its legislation.

Tasmania approached the Council in September 1999, seeking extension to its implementation timetable from December 1999 to 30 October 2000 to provide additional time for the computer systems development required for the vehicle registration and driver licensing reforms. Under the arrangements for NCP, the Council has no jurisdiction to alter the endorsed assessment framework. Any changes must be made by CoAG. However, in this case, given that Tasmania expected to pass the enabling legislation by the target date and was committed to implementing the reforms in full, the Council considered that endorsement by the Australian Transport Council (ATC) should be sufficient. Tasmania has subsequently received ATC endorsement for its 30 October implementation timetable.

Although other jurisdictions did not seek extension for on the ground implementation, the ATC's decision in relation to Tasmania indicates that Ministers are prepared to accept minor delay where the necessary legislative steps have been taken. Accordingly, the Council recommends no reduction in NCP dividend for these delays but will examine on the ground implementation as part of the third tranche assessment prior to July 2001.

The Northern Territory had implemented 15 of the 16 road reforms relevant to it at June 1999. At that time, it was still to take a decision on a demerit points system for licensed drivers. The Northern Territory has subsequently decided to introduce a demerit points system but only in respect to drivers of heavy commercial vehicles that operate on interstate routes from February 2002. The Council considers this proposal is at odds with the demerit points element of the CoAG framework. The Council proposes to conduct a further assessment for the Northern Territory as part of the general supplementary assessment of progress in June 2000. At this time the Council will consider recommending a reduction in the NCP dividends to apply from 2000-01 until the Territory either agrees to implement a demerit points arrangement consistent with the CoAG framework and timetable, or demonstrates that it has an exemption from CoAG for this aspect of the road reform program.

Supplementary Assessment of Second Tranche Road Transport Progress: Summary of Recommendations		
Jurisdiction	Expected progress at 30 June 2000	Actions recommended by the Council
Commonwealth	Amendment to <i>Interstate Road Transport Act 1985</i> during Spring sitting.	Assess progress with legislation timetable at 30 June 2000
Queensland	Majority of program, including fee-free licence conversions, expected to be complete. Minor aspects, primarily variable penalties for licence suspensions, not in place.	Assess progress with fee-free licence conversions at 30 June 2000. Assess progress with remaining elements of the national driver licensing procedures as part of the third tranche.
Western Australia	Legislation to introduce vehicle registration and driver licensing reforms expected to be in place	Assess progress with legislation at 30 June 2000. Assess on the ground implementation of vehicle registration and driver licensing reforms as part of the third tranche.
South Australia	Legislation to introduce vehicle registration and driver licensing reforms in place August 1999. Systems development expected to be completed by March 2001.	Assess on the ground implementation with remaining elements of the vehicle registration and driver licensing reforms as part of the third tranche.
Tasmania	Legislation to introduce vehicle registration and driver licensing reforms assented to in November 1999. Systems development expected to be completed by October 2000.	Assess on the ground implementation with vehicle registration and driver licensing reforms as part of the third tranche.
ACT	Legislation to introduce vehicle registration and driver licensing reforms was passed in December 1999 to introduce vehicle registration, driver licensing and road rules on 1 March 2000. Computer system currently able to deliver on the ground implementation of most requirements. System replacement planned for around July 2002 will deliver remaining minor reform element.	Assess on the ground implementation with backdated registration charges (Reform 2) and progress with replacement registration and driver licensing system as part of the third tranche.
Northern Territory	All reforms in place apart from demerit points arrangement at June 1999. Proposal to introduce demerit points only for drivers of commercial vehicles operating on interstate routes from February 2002.	Assess any further development by the Territory of its demerit points scheme at 30 June 2000.

Background to the Supplementary Assessment

The Council's second tranche assessment of NCP progress found that all jurisdictions had substantially implemented the CoAG second tranche road reform program.¹ Over 80 per cent of the program was in place at June 1999, although only NSW and Victoria had fully implemented all elements.

Most of the seven other jurisdictions still to complete elements of the program had well-defined proposals which they considered would see all elements of the second tranche program in place at the latest by January 2000. However, three governments were still to clarify aspects of their program.

- The Commonwealth, while expressing full commitment to the road reform program, could confirm only that implementation of the reforms relevant to it would be completed by 'early to late 2000'. This was because finalisation of several reforms was awaiting the outcome of the review of the *Interstate Road Transport Act 1985*. The Commonwealth was uncertain as to the time necessary for consultation with other jurisdictions through the review process and the enactment of amending legislation.
- Tasmania stated that it had an established driver fatigue management program but did not mandate the use of log books by drivers of heavy vehicles. Tasmania provides for use of the national driver logbook for interstate operators and where users consider it to be a useful addition to safety procedures. However, the Government indicated that it had a longstanding policy of not requiring logbook recording of truck driver hours and that this had been communicated within national forums since 1995. At the time of the assessment, the CoAG framework did not show an exemption for Tasmania for this element of the road reform program.
- The Northern Territory was still to determine its approach to the CoAG requirement to introduce a core demerit points system as part of the national driver licensing reforms. At the time of the assessment, the CoAG framework did not show an exemption for the Northern Territory for this element of the road reform program.

Given that a significant proportion of the second tranche program had been completed at June 1999, that programs were well underway in most jurisdictions and that there was some doubt about the status of Tasmania's reform obligation in regard to mandating logbooks, the Council recommended to the Federal Treasurer that it conduct a supplementary assessment of progress against the CoAG framework prior to 31 March 2000.

The Council wrote to Transport Ministers in September 1999 seeking a report on reform progress by February 2000. Jurisdictions' responses form the basis of the Council's supplementary assessment.

¹ The CoAG second tranche road reform program is summarised in Attachment 1.

Analysis by jurisdiction

Commonwealth

At June 1999, the Commonwealth had three remaining second tranche reforms out of the nine relevant to it.

Registration Scheme (Reform 2)

This reform requires, as far as practical, uniform or consistent national procedures and requirements for the registration of heavy vehicles. Finalisation of the reform requires amendments to the *Interstate Road Transport Act 1985*, which are to be implemented as part of the review of the Federal Interstate Registration Scheme (FIRS). The Commonwealth is aiming to introduce amendments to the Interstate Road Transport Act into Parliament in the Spring sitting (beginning mid August 2000).

National Bus Driving Hours (Reform 4)

This reform requires adoption of national bus driving hours to overcome variations in operating controls.² The Commonwealth advised in November 1999 that it had fully addressed this matter, although it foreshadowed the possibility of further development arising from the review of FIRS.

Heavy Vehicle Standards (Reform 5)

This reform requires uniform in-service design and construction standards for heavy vehicles and trailers, including B-doubles and road trains. The Heavy Vehicles Standards Regulations incorporate Roadworthiness Standards. The Commonwealth advised in November 1999 that it had fully addressed this matter, although it foreshadowed the possibility of further development arising from the review of FIRS.

Recommendation

The Commonwealth will complete its second tranche road reform program with the passage of amendments to the *Interstate Road Transport Act 1985*. These will be considered by the Parliament during the Spring sitting. The Council notes that it has received assurances that the Commonwealth is committed to land transport reform, and in particular, to the road reforms. The Commonwealth previously expected the outstanding legislation to be before the parliament by April 2000. If this had occurred, the Commonwealth would have completed its second tranche reform program by July 2000. However, the extension of the parliamentary deadline means that this will not occur and the Commonwealth will be the only jurisdiction not to have completed its legislation commitments by the end of June 2000. The Council proposes to review the Commonwealth's legislation timetable at the end of June 2000 as part of the general supplementary assessment when it will consider whether the Commonwealth is in breach of its commitments.

² Reform 4 now superseded by the Combined Driving Hours Regulations covering both bus and truck driving hours.

Queensland

At June 1999, Queensland was still to implement three reforms.

Driver licensing procedures (Reform 3)

This reform requires uniform national requirements for key driver licensing transactions including issue, renewal, suspension and cancellation (excluding learner and novice drivers). At June 1999, Queensland had a scheme similar to national licensing except for some differences in the area of licence suspensions. At this time, the Queensland Government advised the Council that it expected to have Reform 3 fully implemented by December 1999, after the Government had undertaken the necessary computer system development. This target was consistent with the implementation end date for this reform set out in the CoAG second tranche road reform assessment framework.

In March 2000, the Queensland Treasurer advised the Council that Queensland had implemented 72 of the national principles, leaving five matters relating to the management of demerit points and the suspension of licences still outstanding. The matters not yet implemented relate mainly to the scaled range of suspension periods (three, four and five months) where drivers accrue more than 12 demerit points in three years and to demerit points accrued in specific circumstances.³ At present, Queensland does not suspend licences for more than three months.

The Queensland Treasurer reiterated the concern expressed by the Government in June 1999; that introduction of the variable suspension provisions, while applying only to a small minority of licence suspensions, will require significant and costly redesign and rebuilding of its computer systems. In line with this, the Queensland Treasurer requested that the State be given until December 2000 to review the cost effectiveness of changes relevant to licence suspensions within the context of an overall upgrade of its Transport Registration and Integrated Licensing System (TRAIL).

The Council accepts that the reform provisions not yet implemented by Queensland are likely to be relevant only to a small minority of licence suspension cases. However, the Council is unable to consider Queensland's request for deferral as it has no jurisdiction to change the CoAG road reform assessment framework. Such requests should be considered by CoAG, although in cases where the matter in question is likely to have little effect on overall outcomes, particularly where there is commitment to the reform but a slight delay in implementation, the Council considers that consideration by the ATC is appropriate. Given that no exemption was sought in this case, the Council has treated the Queensland request as akin to the deferral which the ATC endorsed to accommodate Tasmania's computer redevelopment work (see discussion for Tasmania).

³ Demerit points accrued after a suspension notice is served but prior to commencement of the suspension (or the 'good behaviour' licence), demerit points accrued prior to court-imposed penalties and demerit points accrued when a driver does not hold a licence but subsequently obtains one.

Heavy Vehicle Standards (Reform 5)

This reform requires uniform in-service heavy vehicle standards. At June 1999, Queensland had not implemented the part of this package relating to emission controls. Queensland expected to have implemented this by September 1999.

The Queensland Treasurer has now confirmed that the Government implemented this reform in full, including emission standards, in September 1999.

Interstate Conversion of Driver Licences (Reform 15)

This reform requires simplified fee-free and test-free conversions of drivers' licences. At June 1999, Queensland still charged a fee for interstate licence conversions, though the Government stated that it was preparing a new proposal for licence fee restructuring. This was expected to be considered by the Queensland Cabinet in September 1999 for possible implementation in December 1999.

The Queensland Treasurer advised the Council in March 2000 that the Government now expects to have arrangements for fee-free interstate licence conversions in place by 1 July 2000, after the State has made the necessary amendments and administrative changes to TRAIL. Queensland has already removed the requirement that people converting interstate licences undergo a further driving test.

Recommendation

The commitment by the Queensland Treasurer to introduce fee-free licence conversions by 1 July will result in the significant remaining element of Queensland's road reform program being achieved within a reasonable period of the implementation target set by CoAG. The Council is satisfied that this approach is consistent with second tranche objectives.

The Council proposes to conduct a further assessment of Queensland's progress against the fee-free licence objective as part of the more general supplementary assessment of all jurisdictions' progress against NCP objectives to be undertaken in June 2000. The Council will recommend that the Federal Treasurer reduce NCP payments to Queensland if the State has not implemented fee-free licence conversions according to the Queensland Treasurer's 1 July 2000 timetable.

Queensland's request for an extension to December 2000 to review arrangements for implementing the variable licence suspension and other elements of the national driver licensing procedures (Reform 3) means that Queensland will not have implemented this reform in full, according to the CoAG framework, at June 2000. Queensland has not sought an extension to the implementation date for this reform from either CoAG or the ATC.

Given the commitment by the Queensland Treasurer to review remaining licence suspension measures by December 2000 as part of an overall upgrade of TRAIL, and that the provisions not yet implemented are likely to affect very few licence suspensions, the Council recommends that Queensland receive its full NCP dividend for 2000-01 in relation to this matter. The Council suggests that

Queensland seek the endorsement of the ATC if there are to be changes to the state's licence suspension measures. The Council will review Queensland's progress with this matter as part of the third tranche NCP assessment prior to July 2001.

Western Australia

At June 1999, Western Australia had still to implement seven reforms. Implementation of these initiatives requires change to Western Australia's *Road Traffic Act 1974* and supporting regulations.

Western Australia reported in March 2000 that it has three Bills to amend the *Road Traffic Act 1974* in progress, and that it expects these to be passed by 30 June 2000. One of the Bills – to amend the Act to introduce the national driver's licence classifications and compulsory photographic licences – is currently before the Legislative Assembly. The others – to introduce the national heavy vehicle registration scheme and to amend regulation-making powers contained in the *Road Traffic Act 1974* – are currently being drafted. Both have high priority on the Department of Transport's year 2000 new legislation schedule and are expected to be introduced during to Parliament the Autumn 2000 sittings.

Western Australia is concurrently drafting supporting regulations so they can be introduced promptly when the amendments to the Act take effect. Overall, Western Australia now anticipates that it will complete its second tranche road reform program by 30 June 2000.

National Heavy Vehicle Registration Scheme (Reform 2)

This reform requires, as far as practical, uniform or consistent national procedures and requirements for the registration of heavy vehicles. At June 1999, Western Australia anticipated that amendments to the *Road Traffic Act 1974*, then due in the second half of 1999, would enable implementation of the required reforms by January 2000.

As discussed above, Western Australia is giving priority to the drafting and passage a Bill to introduce amendments to the Act and supporting regulations to bring in the national heavy vehicle registration scheme by 30 June 2000.

Driver Licensing (Reform 3), One Driver One Licence (Reform 9) and simplified fee-free interstate licence conversions (Reform 15)

Reform 3 requires uniform national requirements for key driver licensing transactions including issue, renewal, suspension and cancellation (excluding learner and novice drivers). Reform 9 requires common and simplified licence categories and improved processes to eliminate the holding of multiple licences by a single driver. Reform 15 requires conversion of interstate licences without a fee being charged and without the licence holder undergoing a further driving test.

At June 1999, amendments to the *Road Traffic Act* to deliver these changes were scheduled for the second half of 1999, with the reforms expected to be in place by January 2000.

The Bill to amend the Act to introduce the National Driver's Licence Classifications and enable compulsory photographic licences is currently before the Legislative Assembly and is expected to be enacted during the Autumn 2000 sittings. The remaining reforms are to be introduced by way of further amendment to the Road Traffic Act and regulations. Drafting of the necessary amendments and associated regulations is currently in progress and has high priority.

Vehicle Operations (Reform 4), Heavy Vehicle Standards (Reform 5) and Enhanced Safe Carriage and Restraint of Loads (Reform 13)

Reforms 4 and 5 require the introduction of new regulations covering: Australian Vehicle Standards Rules; Mass and Loading regulations, which impose mass limits for heavy vehicles and combinations; Oversize and Overmass Vehicles regulations; and Restricted Access Vehicle regulations, which cover the operating requirements for larger vehicles; and amendment to regulation making powers contained in the Road Traffic Act.

Reform 13 requires enhanced safe carriage and restraint for loads through standard regulations and a practical guide for the securing of loads to apply throughout Australia.

At June 1999, Western Australia had implemented most of Reforms 4 and 5 and had commenced preparing drafting instructions for amending the regulations. However, regulations to adopt the national model for safe carriage and restraint of loads had been disallowed by the Western Australian Parliament in 1998 and introduction of the reform had to await amendment to the regulation-making powers in the Road Traffic Act.

Western Australia expects to have a final draft of the regulations by the end of March 2000. Western Australia is currently drafting amendments to the regulation making powers in the Road Traffic Act. The Bill for these amendments has top priority on the Department of Transport's year 2000 legislation schedule.

Recommendation

The Council is satisfied that Western Australia is now giving due priority to Bills amending the *Road Traffic Act 1974* and to drafting associated regulations. Western Australia's expectation to have completed its program will mean that all second tranche road transport reforms will be implemented within a reasonable period of the target set by CoAG.

The Council proposes to conduct a further assessment of Western Australia's progress as part of the more general supplementary assessment of all jurisdictions' progress against NCP objectives to be undertaken in June 2000 to ensure that the required legislation has been passed. The Council will consider recommending that the Federal Treasurer reduce NCP payments to Western Australia if the State has not completed the necessary legislative action to deliver the second tranche NCP road reform program by 30 June 2000.

At the time of reporting, the Council was still to obtain clarification as to whether Western Australia's on the round implementation of the second tranche road

reforms were likely to be delayed by computer systems development requirements. The Council will review Western Australia's progress with on the ground implementation following passage of the Bills amending the Road Traffic Act, as part of the third tranche assessment prior to July 2001.

South Australia

At June 1999, South Australia was still to implement five reforms. The Government expected to have implemented these by September 1999, although it foreshadowed potential delays in full implementation due to the need to develop computer systems.

Registration Scheme (Reform 2)

This reform requires, as far as practical, uniform or consistent national procedures and requirements for the registration of heavy vehicles. At June 1999, South Australia advised that enabling legislation was expected to be passed by September 1999 and regulations drafted ready for use. However, the Government expected computer programming demands to delay full implementation until 2000.

South Australia subsequently advised that the *Motor Vehicles (Miscellaneous) Amendment Act 1999* was passed in August 1999, delivering all remaining elements of Reform 2. The new law is being progressively proclaimed, section by section, as computer changes are made to allow for implementation (with appropriate Regulations where required).

South Australia stated that it expects to complete the necessary computer changes by March 2001. The Government explained that its computer system does not accommodate too many changes being made concurrently, and the need to implement NEVDIS (National Exchange of Vehicle and Driver Information System), the GST, and the South Australian Emergency Services Levy, and other priorities has caused unavoidable delays. However, South Australia stated that all significant aspects of the national arrangements, including registration classes and charges, are in place.

Driver Licensing (Reform 3)

This reform requires uniform national requirements for key driver licensing transactions including issue, renewal, suspension and cancellation (excluding learner and novice drivers). The reforms are delivered through the same legislation as Reform 2. Again, South Australia foreshadowed that actual implementation may be delayed by computer programming demands.

As noted above, the *Motor Vehicles (Miscellaneous) Amendment Act 1999* was passed in August 1999, and is being progressively implemented. While the date for final system changes is November 2000, South Australia stated that all significant matters, including as licence classes and recognition of interstate licences, are already in place with only minor details and definitions remaining to be addressed.

Vehicle Operations (Reform 4)

Reform 4 requires Australian Vehicle Standards Rules; Mass and Loading regulations, which impose mass limits for heavy vehicles and combinations;

Oversize and Overmass Vehicles regulations; and Restricted Access Vehicle regulations, which cover the operating requirements for larger vehicles.

This reform was implemented on 1 December 1999 by means of the *Road Traffic (Miscellaneous) Amendment Act 1999*, the *Road Traffic (Mass and Loading Requirements) Regulations 1999*, the *Road Traffic (Oversize and Overmass Exemptions) Regulations 1999* and the *Road Traffic (Vehicle Standards) Rules 1999* which came into operation on that date.

Common Mass and Loading Rules (Reform 8)

This reform requires national mass and dimension limits for heavy vehicles. At June 1999, South Australia had introduced most of these reforms for permit vehicles but was still to apply them to general access vehicles. The necessary legislation was in the Parliament and was expected to be passed by August 1999.

The common mass and loading rules reform was implemented on 1 December 1999 by means of the *Road Traffic (Miscellaneous) Amendment Act 1999* and the *Road Traffic (Mass and Loading Requirements) Regulations 1999*, which came into operation on that date.

Enhanced Safe Carriage and Restraint of Loads (Reform 13)

Reform 13 requires enhanced safe carriage and restraint for loads through standard regulations and a practical guide for the securing of loads to apply throughout Australia.

This reform was implemented on 1 December 1999 by means of the *Road Traffic (Miscellaneous) Amendment Act 1999* and the *Road Traffic (Oversize and Overmass Exemptions) Regulations 1999*, which came into operation on that date.

Recommendation

The Council is satisfied that South Australia has taken the necessary legislative and regulatory action to deliver the second tranche road reform framework.

While full 'on the ground' implementation of aspects of the heavy vehicle registration and driver licensing reforms (Reforms 2 and 3) are delayed beyond the target implementation date set in the CoAG framework due to computer systems development demands, the Council accepts that South Australia has all significant elements of the two reforms in place. The Council will review South Australia's progress with on the ground implementation with Reforms 2 and 3 as part of the third tranche assessment prior to July 2001.

Tasmania

At June 1999, Tasmania was still to complete three reforms.

Registration Scheme (Reform 2) and Driver Licensing (Reform 3)

Reform 2 requires, as far as practical, uniform or consistent national procedures and requirements for the registration of heavy vehicles. Reform 3 involves uniform national requirements for key driver licensing transactions including

issue, renewal, suspension and cancellation (excluding learner and novice drivers).

At June 1999, Tasmania was considering the Vehicle and Traffic Bill, designed to deliver these reforms, and had allocated funds for system redevelopment. The Bill received assent in November 1999.

Following the Council's September 1999 letter to Transport Ministers, which among other things asked jurisdictions to identify any potential difficulties with delivering the agreed reform program, Tasmania advised that there would be some delay involved with the redevelopment of its motor registry computer system. Tasmania had put a specification for the redevelopment out to tender but needed additional time to ensure that the process would deliver the desired outcomes.

The Government sought additional time through a submission to the ATC, undertaking to have implemented Reforms 2 and 3 by 30 October 2000. The ATC agreed to the extension, taking these reforms beyond the second tranche NCP period.

Truck Driving Hours (Reform 6)

This reform 6 requires nationally consistent legislation and administrative arrangements for managing heavy vehicle driver fatigue. One element of this reform is mandatory carriage of driver logbooks.

While the national driver logbook is available in Tasmania for drivers travelling interstate and for operators who consider it to be an effective addition to their normal operating and safety procedures, the logbook is not mandatory in the State. Tasmania explained that it had communicated its approach on driver fatigue management within inter-jurisdictional forums since at least 1995. However, because the reform was not implemented and there was no recorded exemption, the Council's second tranche assessment identified Reform 6 as an area requiring action by Tasmania: either to implement the reform or to obtain an exemption.

The Council considered that the practical effect of an exemption from mandated log books is likely to be insignificant in Tasmania, given the small distances travelled relative to other jurisdictions. As a consequence, and noting the history of this matter, the Council considered that an exemption agreed by the ATC rather than CoAG would be appropriate. Tasmania has now sought and received an exemption from the ATC for mandated log books, removing this matter as an assessment question.

Recommendation

Given the extension for implementation of Reforms 2 and 3 and the exemption for Reform 6 endorsed by the ATC, Tasmania has no remaining second tranche obligations. The Council will review Tasmania's progress with implementing Reforms 2 and 3 (computer systems development) as part of the third tranche assessment prior to July 2001.

Australian Capital Territory

At June 1999, the ACT was still to complete four reforms. In addition to these, the national package for the carriage of dangerous goods by road (reform 1) was being implemented in the ACT through temporary Ministerial Emergency Orders pending an amendment to Commonwealth legislation to enable the ACT legislation to become operational.

Dangerous Goods (Reform 1)

At June 1999, the ACT had the necessary legislation in place but required an amendment to Commonwealth legislation to enable the ACT law to become operational. The Commonwealth made the necessary amendments to its legislation governing the carriage of dangerous goods by road during 1999 to enable this reform to be fully implemented in the ACT.

Registration Scheme (Reform 2), Driver Licensing (Reform 3) and One Driver/One Licence (Reform 9)

Reform 2 requires, as far as practical, uniform or consistent national procedures and requirements for the registration of heavy vehicles. At June 1999, the ACT had implemented some regulations and was expecting to implement the remaining regulations by December 1999.

Reform 3 requires uniform national requirements for key driver licensing transactions including issue, renewal, suspension and cancellation (excluding learner and novice drivers). At June 1999, the ACT had draft legislation in progress and was expecting to complete implementation by December 1999.

Reform 9 requires common and simplified licence categories and improved processes to eliminate the holding of multiple licences by a single driver. At June 1999, the ACT had still to adopt the final element of this reform, national driver licence classes, as part of its process for adopting Reform 3.

The ACT passed new legislation in December 1999 to introduce the national heavy vehicle registration scheme, the national driver licensing scheme and the national road rules. Due to systems constraints, one minor element of the procedures – the backdating of registration charges for late registration renewals – is still to be adopted.

The ACT advised that it has reprogrammed its motor vehicle registry computer system to implement the reforms on the ground and has revised administrative guidelines and procedures. However, the ACT has significant concerns about the stability of its motor vehicle registry computer system and is currently scoping a replacement registration and driver licensing system that would meet national and local requirements. The ACT does not expect the new system to be in place before July 2002. The new system will implement the national requirement to backdate charges for late registration renewals.

Vehicle Operations (Reform 4)

This reform requires Australian Vehicle Standards Rules; Mass and Loading regulations, which impose mass limits for heavy vehicles and combinations; Oversize and Overmass Vehicles regulations; and Restricted Access Vehicle regulations, which cover the operating requirements for larger vehicles.

The ACT has now incorporated these regulations in legislation. High demand notices were completed prior to June 1999. One remaining low demand notice has been delayed as a result of a loss of mapping data during Y2K upgrades. The ACT expects to complete the notice by April 2000.

Recommendation

The ACT has now put in place the necessary legislation for delivery of the second tranche road reform program and expects to complete the remaining element of Reform 4 by April 2000.

The Council accepts that the ACT has achieved on the ground implementation of all significant elements of the second tranche road reform program. However, the delay in implementing the requirement to backdate registration charges to the date at which the registration is due means that the ACT will not have implemented the National Heavy Vehicle Registration Scheme in full at June 2000. The ACT has not sought an extension to the implementation date for this reform from either CoAG or the ATC.

The Council will review the ACT's progress with replacement of its motor vehicle registry computer system (necessary to implement remaining minor elements of the National Heavy Vehicle Registration Scheme) as part of the third tranche NCP assessment prior to July 2001.

Northern Territory

At June 1999, the Northern Territory had completed 15 of its 16 relevant reforms. The only outstanding matter was the demerit points component of the National Driver Licensing Scheme (Reform 3).

National Driver Licensing Scheme (Reform 3)

This reform requires uniform national requirements for key driver licensing transactions including issue, renewal, suspension and cancellation (excluding learner and novice drivers). At June 1999, the Northern Territory had implemented this reform package (except for administration guidelines on the use and release of information) but was still to decide whether to introduce a demerit points scheme.

A demerit points system applying to all licensed drivers is a key element of the National Driver Licensing Scheme, which is directed at achieving national uniformity in the key requirements for driver licensing transactions and enhancing road safety. To date, all jurisdictions except the Northern Territory have introduced a demerit points arrangement.

On 30 March 2000, the Northern Territory advised that it had decided to introduce a demerit points scheme from February 2002, with the scheme to apply only to drivers of commercial vehicles that operate on interstate routes. The Northern Territory Government intends to advise the ATC of its decision and request that the ATC note the Territory's implementation timetable.

The Government plans to introduce the necessary amendments to the Parliament in October 2000, for passage during the November 2000 sittings. The target implementation date of February 2002 is the Territory's estimate of the time it will take to develop a demerit points scheme from the ground up, including drafting new regulations and developing administrative and computer systems to track demerit points. The Government is also proposing a public education process.

Under the Territory's approach, Northern Territory-licensed drivers of commercial vehicles used both within and outside the Territory's borders will be subject to the Northern Territory's demerit point scheme. Interstate-licensed drivers of commercial vehicles who commit offences in the Northern Territory will accrue demerit points in their home state. However, Northern Territory-licensed drivers of non-commercial vehicles, and of commercial vehicles used solely within the Territory (however this use is determined), who commit offences appear to be quarantined from accruing demerit points.

This approach appears to differ significantly from that envisaged by the demerit points element of the National Driver Licensing Reform and the approach implemented in other jurisdictions. By providing immunity to categories of drivers in cases where the cumulative effect of driving offences would otherwise result in licence suspension, the Northern Territory's proposal may risk undermining the achievement of road safety objectives.

The Council's other concern relates to the time being taken for the Northern Territory to deal with this matter. Transport Ministers voted for the National Driver Licensing Scheme (CoAG reform 3 incorporating core demerit points) in December 1997. The Council's second tranche NCP assessment in June 1999 identified the Territory's failure to have introduced a demerit points system as an outstanding implementation matter. In the event, the Northern Territory is proposing partial implementation by February 2002.

Recommendation

CoAG's endorsement of a core demerit points arrangement as part of the second tranche road reform framework is a clear recognition, in the view of the Council, of the importance of appropriate and consistent regulation of dangerous driving behaviour. The Council considers that the Northern Territory's decision to introduce a partial demerit points arrangement from February 2002 breaches the Territory's NCP road reform obligations.

The Council's usual approach in circumstances where it has identified a non-trivial breach of NCP obligations is to recommend a reduction in the NCP dividend commensurate with the effect of the breach on the community. The Council also takes into account the need for the recommended reduction in the NCP dividend to provide a sufficient incentive for the jurisdiction in question to rectify the identified breach.

In this case, the Council recommends that the Northern Territory develop its demerit points model and proposed implementation target, in line with the CoAG framework. The Council proposes to conduct a further assessment of the Northern Territory's progress on this matter as part of the more general

supplementary assessment of all jurisdictions' progress against NCP objectives to be undertaken in June 2000. At this time, the Council will consider recommending a reduction in the NCP dividend to apply from 2000-01, until the Territory either agrees to implement a demerit points arrangement consistent with the CoAG framework and timetable, or demonstrates that it has an exemption from CoAG for this aspect of the road reform program.

Attachment 1: The Second Tranche Assessment Framework

CoAG established the second tranche NCP road assessment framework specifying 19 reform programs, with criteria for successful implementation and target dates. The framework provides for a broad contextual assessment reliant upon self-reporting of progress by each jurisdiction. The 19 assessable reforms are set out in Box 1 below.

Western Australia, Tasmania, the ACT and the Northern Territory have exemptions endorsed by CoAG or the ATC from some of the reforms. Nine of the 19 reforms are relevant for the Commonwealth.

Box B1 Second Tranche Road Transport Assessment Framework

- Reform 1:** A national package (Act/regulations/code) for the carriage of dangerous goods by road.
- Reform 2:** As far as practical, uniform or consistent national procedures and requirements for the registration of heavy vehicles.
- Reform 3:** Uniform national requirements for key driver licensing transactions including issue, renewal, suspension and cancellation (excluding learner and novice drivers).
- Reform 4:** Common Mass and Loading Regulations, which impose mass limits for vehicles and combinations, Oversize and Overmass Regulations and Restricted Access Vehicles Regulations, covering the operating requirements for larger vehicles.
- Reform 5:** Uniform in-service heavy vehicle standards.
- Reform 6:** Nationally consistent legislative and administrative arrangements for managing truck driver fatigue. Subsequent regulations combine truck and bus driving hours.
- Reform 7:** Nationally consistent regulation for managing fatigue among drivers of larger commercially operated buses. Subsequent regulations combine truck and bus driving hours (also reform 14).
- Reform 8:** National mass and dimension limits for heavy vehicles.
- Reform 9:** Common and simplified licence categories and improved processes to eliminate the holding of multiple licences by a single driver.
- Reform 10:** Expansion of “as-of-right” access for B-doubles and other approved large vehicles.
- Reform 11:** National in-service pre-registration standards (for heavy vehicles).
- Reform 12:** Common roadworthiness standards through adoption of roadworthiness standards and guidelines, together with mutual recognition and consistent enforcement.
- Reform 13:** Enhanced safe carriage and restraint of loads through standard regulations and a practical guide for the securing of loads to apply throughout Australia.
- Reform 14:** Adoption of national bus driving hours (subsequently included in the Combined Driving Hours Regulations with Reforms 6 and 7).
- Reform 15:** Simplified cost-free interstate conversions of driver licences.

Reform 16: Support by jurisdictions for development of alternative compliance systems.

Reform 17: Options for 3 and 6 month registration to provide operational flexibility.

Reform 18: Provision for employers to obtain limited information about an employee's driver licence status, with employee consent.

Reform 19: Agreement to link State/Territory databases to enable automatic exchange of vehicle and driver information through the National Exchange of Vehicle and Driver Information System (NEVDIS) – Stage 1.