



## WHAT ARE THE REFORM OBLIGATIONS?

Road transport reform was incorporated into National Competition Policy without details of the specific reform obligations for each assessment.

The first assessment of reform progress was hampered by this lack of specific details on the reform outcomes. Accordingly, the Council sought the agreement of the Commonwealth, the States and the Territories to a specific National Competition Policy program for the delivery of the road transport reforms.

Thus, for the second assessment, the governments charged the Standing Committee on Transport with developing a framework for the assessment of road reforms. This was subsequently endorsed by the Council of Australian Governments (CoAG). The framework comprised 19 reforms, and was approved by the Transport Ministers. The reforms were ready for implementation and included in the framework were the criteria for assessing successful implementation and target dates.

Further road reforms will be added to the assessment framework as they are developed by the NRTC. These additions will also include implementation criteria and target dates. The Council expects reforms added in this way to form the basis of the third assessment.

## WHAT INFORMATION IS REQUIRED?

In the second tranche assessment, the Council relied heavily on the information on progress provided by the Commonwealth, the States and the Territories in their annual reports to the Council on National Competition Policy matters.

It also gathered information and evidence of 'on the ground' progress from other parties, including the road transport industry.

For the third tranche assessment in June 2001, the Council will be drawing on information supplied by governments in their annual reports and from direct consultations with both governments and road users.

Satisfactory reform progress is necessary for governments to receive their competition payments in full.

## NATIONAL COMPETITION PAYMENTS

National Competition payments are an economic dividend paid to States and Territories in return for their investment in reform.

They recognise that National Competition Policy reforms provide dividends, not just to the wider community but also to the Commonwealth through tax revenue.

Because satisfactory progress against their reform commitments is a prerequisite for States and Territories to receive their National Competition payments in full, they offer a financial incentive for the States and Territories to satisfy their obligations.

National Competition Payments are determined in three tranches, following an assessment by the National Competition Council. The first tranche payments began in July 1997, the second in July 1999 and the third tranche payments are scheduled to begin in July 2001.

The National Competition Council makes recommendations to the Federal Treasurer after each assessment as to whether governments should receive their competition payments in full.

## THE ASSESSMENTS

Before competition payments are made, the National Competition Council assesses the progress by governments against their NCP reform obligations.

However, where special circumstances apply – for example, if reform is well under way but not complete at the assessment date, the Council may recommend a further, supplementary, assessment for these matters for a later date.



# ROAD TRANSPORT REFORM

National Competition Council  
Community Information  
2000



## WHY DO WE NEED ROAD REFORM?

Lack of a consistent national approach to road laws can cause confusion and compromise safety, it allows users to take advantage of any inconsistencies, differences or lack of communication between systems. It also increases compliance costs for road transport operators.

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— RIVET design —

## In 1991 all governments agreed to national reform of heavy vehicle regulation

### DEVELOPMENT OF THE REFORM PROGRAM

Early attempts to overcome interstate disparities in road regulation were largely unsuccessful until 1991 when all governments agreed to implement a package of reform measures to address the differences in heavy vehicle regulation.

The Heavy Vehicles Agreement and the Light Vehicles Agreement were agreed upon in 1991 and 1992 respectively.

The Heavy Vehicles Agreement provided for the development of uniform or consistent national regulatory arrangements for vehicles over 4.5 tonnes gross vehicle mass.

The Light Vehicles Agreement extended the national regulatory approach to cover light vehicles. The National Road Transport Commission (NRTC) was established in 1991 to develop the road reform programs. The Ministerial Council for Road Transport (which was later absorbed by the Standing Committee on Transport) was established at the same time to oversee implementation of the reforms.

### ROAD REFORM AND NATIONAL COMPETITION POLICY

In 1992, the Council of Australian Governments (CoAG) commissioned Professor Fred Hilmer to conduct an "Independent Committee of Inquiry into National Competition Policy".

In 1995, CoAG agreed to implement a number of Hilmer's reform recommendations as part of a wide ranging reform package called 'National Competition Policy'.

National Competition Policy has a rigorous ongoing assessment and implementation program and because of this CoAG decided it should include four existing national reform agreements in the road transport, water resources, gas and electricity sectors.

Road reform was absorbed into National Competition Policy in 1995.

### SECOND ASSESSMENT – JUNE 1999

The second National Competition Policy assessment specified 19 reforms, with criteria for successful implementation and target dates.

States and Territories were assessed against all 19 reforms (unless they had been granted an exemption). The Commonwealth had obligations under nine of the reforms.

At the time of the assessment, most jurisdictions had implemented or made significant progress towards implementing all the required reforms. The Council reassessed outstanding reforms in March and again in June 2000.

The 19 assessable reforms are set out in the table below.

### ROAD TRANSPORT: SECOND ASSESSMENT FRAMEWORK

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|------------|---|
| Reform 1:  | A national package (Act/regulations/code) for the carriage of dangerous goods by road.  |
| Reform 2:  | As far as practicable, 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.                               |



### THIRD ASSESSMENT – JUNE 2001

The framework for the third assessment of road reform is expected to be available early in 2001.

Once the framework and the reforms have been released the National Competition Council will be seeking input from all interested parties, in particular, from governments and road users.

In addition to the new reform framework, the Council will also assess jurisdictions on first and second assessment matters if these have not already been finalised or if new issues have arisen since the original assessment.

The Council's first round of consultations will begin in late 2000.

The focus of these discussions will be on the 'on the ground' implementation of the previous reforms and assessing whether all the outstanding matters from the first two assessments have been finalised.

The second round of consultations will begin with the release of the third tranche assessment framework. It will focus on these new reforms.

Once the assessment framework has been released the National Competition Council will be seeking input from all interested parties.