



**Australian Government**

**Department of Infrastructure and Transport**

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# **Heavy Vehicle Safety and Productivity Program (Round Three)**

## **Guidelines**

**September 2012**

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# 1 Introduction

The Guidelines provide information on the administrative arrangements for Round Three of the Heavy Vehicle Safety and Productivity Program (HVSPP). In brief, the Guidelines provide:

- program objectives and expected outcomes;
- key dates for the program;
- the roles and responsibilities of each party;
- a framework for eligibility, appraisal, approval and funding of projects;
- administrative processes for the development and submission of project proposals;
- conditions of funding, including monitoring and reporting requirements;
- processes for variations to project approvals and post completion evaluations and reports.

The Guidelines assist the Department of Infrastructure and Transport (the Department) staff; officers of state and territory transport agencies; and other project stakeholders to comply with administrative arrangements and the *Nation Building (National Land Transport) Act 2009*.

## 1.1 Program background

The Heavy Vehicle Safety and Productivity Program (HVSPP) is an Australian Government initiative established under the *Nation Building (National Land Transport) Act 2009* (the Act) to improve safety and productivity outcomes of heavy vehicle operations across Australia.

Heavy vehicles are involved in many serious accidents across Australia annually - “*during the 12 months to September 2011, 230 people died from 204 fatal crashes involving heavy vehicles or buses*”<sup>1</sup> and there is significant evidence linking such accidents with fatigue<sup>2</sup> and speed. Drivers are also required to comply with heavy vehicle driver fatigue-related legislation which ensures that regular and effective rest breaks are taken during long journeys.

The size of the heavy vehicle road freight task was 503 billion tonne kilometres in 2008<sup>3</sup>, according to the National Transport Commission (NTC), and this is expected to reach 1,540 billion tonne kilometres by 2050<sup>4</sup>. NTC argues that “*improved productivity is the key to reducing the effect of the growing freight task on road safety, the environment and the amenity of our communities*”.

To reduce the number of accidents involving heavy vehicles (and the associated trauma and economic cost) and to improve the productivity of heavy vehicle operations, funding

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<sup>1</sup> BITRE: ‘Fatal crashes involving heavy vehicles, Australia quarterly bulletin Jul-Sep 2011

<sup>2</sup> Driver fatigue is a significant cause of crashes, estimated to contribute to 20-30% of fatal crashes (Australian Transport Council 2011) as reported in the Austroads Report ‘A Proposed Heavy Vehicle rest Area Needs and Prioritisation Methodology’ – May 2012

<sup>3</sup> National Transport Commission (NTC) Australia (Modular B-Triples: Fact Sheet, May 2012),

<sup>4</sup> Ibid

has been applied through the HVSP to projects that directly improve conditions for heavy vehicle drivers.

The first two rounds of the HVSP provided \$70 million in the period 2008-09 to 2011-12. Round Three of the HVSP will be implemented over 2012-13 and 2013-14, with \$50 million in total to be allocated to heavy vehicle safety and productivity related projects.

The HVSP is one component of the Nation Building Program which contributes to the prosperity of the economy and the well being of all Australians by supporting continued improvement to our road transport infrastructure.

## 1.2 Program objectives and outcomes

The purpose of the HVSP is to improve the safety and productivity of heavy vehicle operations across Australia. The specific HVSP objectives are to:

- Reduce the proportion of road accidents involving heavy vehicles by targeting heavy vehicle driver fatigue; and
- Increase productivity by enhancing the capacity of existing roads.

Outcomes of the HVSP may include:

- upgrades to existing rest areas and decoupling bays;
- developing new rest areas and decoupling bays;
- use of new technology to improve heavy vehicle safety and/or productivity;
- upgrades to existing road infrastructure including bridges;
- demonstration projects that improve heavy vehicle safety and/or productivity;
- supporting rural and regional heavy vehicle infrastructure; and/or
- improved livestock transport infrastructure safety.

## 1.3 Anticipated key dates

The following table outlines the anticipated timeline for the program.

Milestone	Anticipated Dates
HVSP Round Three Announced	August 2012
HVSP Guidelines Published	August 2012
Applications Open with call for Submissions	August 2012
Industry Submissions Identifying Priorities Close	30 September 2012
Industry Submissions Identifying Livestock Transport Industry Priorities Close	31 October 2012
Applications from State/Territory Governments Close	31 October 2012
Applications from State/Territory Governments for Livestock Transport Industry Projects Close	30 November 2012
Projects could Commence	from January 2013
HVSP Round Three Ends	30 June 2014

**Note from ALRTA:**  
This deadline is for the trucking industry to put forward our ideas on what the government should be preferring. It is not the deadline for grant applications.

## 1.4 Roles and responsibilities

For each project within their jurisdiction, a **funding recipient** will:

- submit a Project Proposal Report (PPR) in the format set out in the Notes on Administration – Nation Building Program (issued July 2009) – Appendices A and B;
- apply appropriate and effective governance oversight to ensure successful project delivery;
- procure and deliver projects within the constraints of the agreed scope and funding conditions identified in the Act and the Notes on Administration (NoA);
- comply with reporting requirements set out in the NoA, including formal project closure and evaluation; and
- provide sufficient information, as requested by the Department, to demonstrate appropriate use of public funds.

The **Department** will:

- evaluate projects through the appraisal of PPRs to determine eligibility for funding approval;
- provide project and funding recommendations to the Minister for Infrastructure and Transport (the Minister);
- notify the funding recipient of the project approval;
- monitor project progress;
- release payments based on the submittal of monthly project progress reports;
- monitor project expenditure; and
- report to the Australian Government on project progress and the achievement of objectives.

The funding Approver for the HVSP (Round Three) is the Minister.

## 2 Eligibility

### 2.1 Who is eligible to apply for funding?

State and territory governments are eligible to apply for the \$50 million available in the HVSP (Round Three) which covers the period 2012-13 and 2013-14. State and territory governments may provide applications initiated and delivered by local government bodies for livestock transport industry projects.

### 2.2 What is eligible for funding?

Six categories of projects are eligible for consideration for funding including:

- **Rest Area projects:** which improve the provision of heavy vehicle rest areas on key interstate routes;
- **Parking/Decoupling Bay projects:** which provide heavy vehicle parking/decoupling areas and facilities in outer urban/regional areas;
- **Technology Trial projects:** which include the trial technologies to improve heavy vehicle safety and/or productivity;
- **Road Enhancement projects:** which enhance the capacity and/or safety of roads (including bridges) to allow access by high productivity vehicles to more of the road network;
- **Demonstration projects:** which facilitate innovation to improve heavy vehicle safety and productivity projects; and
- **Livestock Transport Industry projects:** which improve heavy vehicle and associated facilities safety and productivity for specific livestock transport operations.

The Australian Government funding contribution will be capped. Funding contributions from applicants can only be through the provision of financial contribution and 'in kind' contributions will not be considered.

HVSP Round Three will run for two financial years, 2012-13 and 2013-14. Applicants will need to demonstrate how the Australian Government component of their project will be completed within the two year life of the program.

### 2.3 What types of projects are ineligible for funding?

Australian Government funding will not be provided to projects that:

- have already commenced a tender process;
- have completed; or
- have been approved for funding or are in the application process for funding from another Australian Government or state / territory program.

### 3 Request for applications

The Minister will seek applications from state and territory governments and submissions from key industry stakeholders to determine the projects to be funded under the HVSP. State and territory governments may provide applications initiated and delivered by local government bodies for livestock transport industry projects. Projects could include a suite of small scale tasks along a longer route; this would reduce the effort required to develop PPRs.

Applications will include a covering letter, which includes the conflict of interest declaration, and PPR as set out in Appendix A to the NoA.

PPRs should include:

- P50 and P90 cost estimates compiled in accordance with the Commonwealth Best Practice Cost Estimation Standard, if appropriate; and
- Analyses of safety benefits directly related to heavy vehicles and costs and a Benefit Cost Ratio (BCR), as appropriate.

Assets produced under the program will be vested on the state or territory or local government and ongoing maintenance is the responsibility of the jurisdiction. As such, maintenance costs are not to be included in any cost estimate.

#### 3.1 Industry Stakeholders

Industry stakeholders will be invited to develop submissions (rather than applications). Such submissions are an opportunity for industry organisations to suggest priorities for the Round Three of the HVSP. Each submission should include a list of projects proposed for funding.

Submissions need to be provided to each relevant state or territory road authority so that the information may be included in the formal applications by states and territories. Submissions should also be provided to the Department contact officer (details at section 7.3 of this document).

It is very important that industry stakeholder and local government submissions are sent to the states, territories and the Department to arrive no later than 30 September 2012 except for livestock transport industry projects which have been extended to 31 October 2012. Formal state and territory applications are due one month later (31 October 2012 except livestock transport industry projects which are due 30 November 2012) and must include discussion of industry stakeholder priorities and how this information has influenced state and territory priorities.

This process is not intended to replace existing consultation processes.

#### 3.2 Probity

The Australian Government is committed to ensuring that the process for providing funding under the HVSP (Round Three) is transparent and in accordance with the published Guidelines.

### **3.3 Conflict of interest**

A conflict of interest may exist, for example, if the applicant or any of its personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the application appraisal process, such as a Department staff member;
- has a relationship with, or interest in, an organisation, which is likely to interfere with or restrict the applicant in carrying out the proposed activities fairly and independently; or
- has a relationship with, or interest in, an organisation from which they will receive personal gain as a result of the granting of funding under the HVSP (Round Three) program.

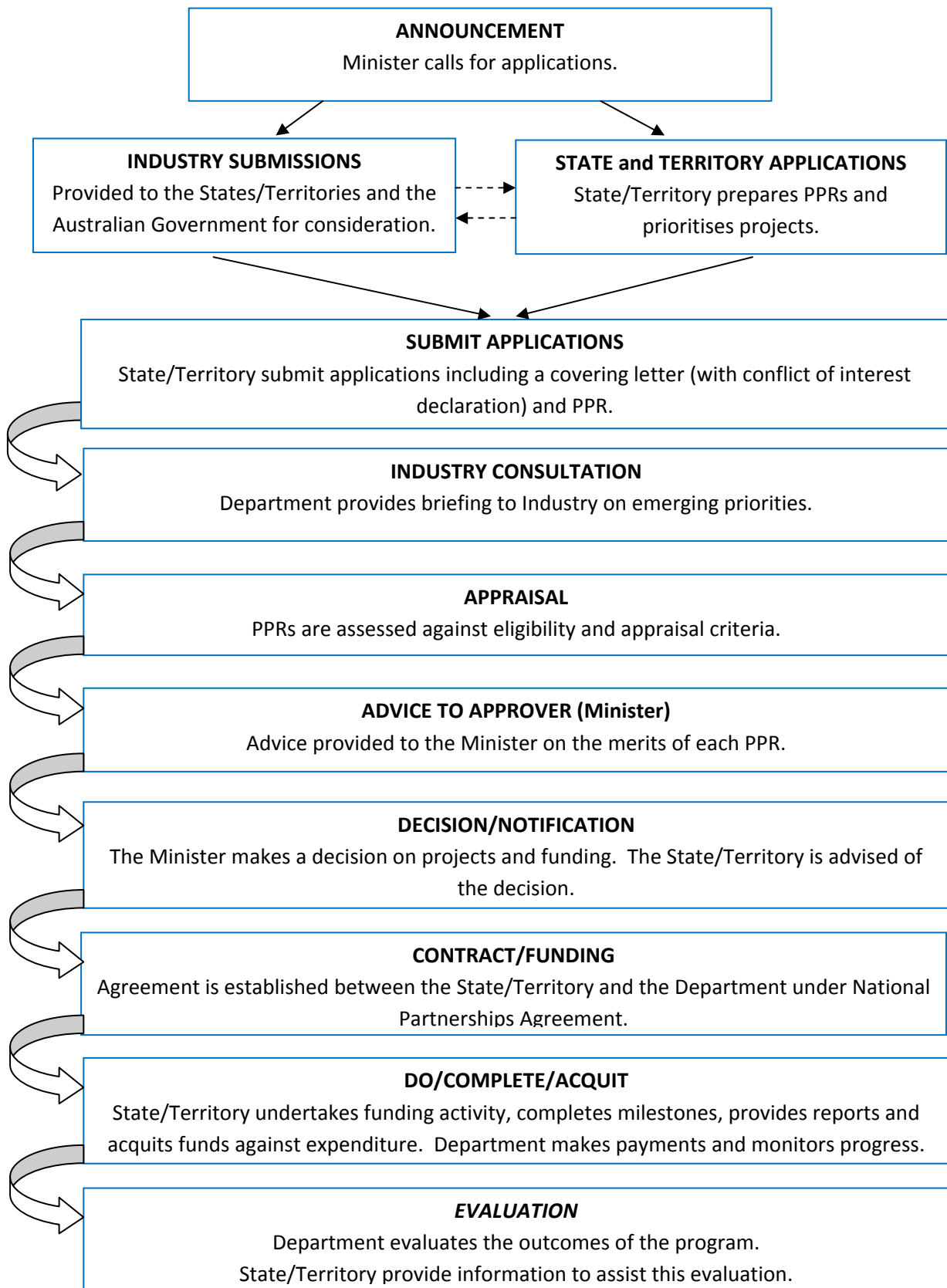
Each applicant will be required to declare as part of their application, existing conflicts of interest or that to the best of their knowledge there is no conflict of interest, including in relation to the examples above, that would impact on or prevent the applicant from proceeding with the project or any funding agreement it may enter into with the Australian Government.

Where an applicant subsequently identifies that an actual, apparent, or potential conflict of interest exists or might arise in relation to this application for funding, the applicant must inform the Department in writing immediately.



### 3.4 Process Flowchart

The following flowchart sets out the process for applications and decisions for the HVSP.



## 4 Appraisal

The Department will assess applications against the appraisal criteria set out below. Applicants will need to address all of the criteria in either their covering letter or PPR.

### 4.1 Appraisal process

Based on the information provided in PPRs, the Department will undertake an analysis of applications against the appraisal criteria outlined below.

Those applications which do not satisfy the eligibility criteria may not be assessed.

- Projects meeting the eligibility requirements will be ranked against the five appraisal criteria. The criteria include the project benefits (including BCR), the state, territory, **local government or** industry financial contribution, industry priorities, jurisdictional priorities and the assessed risks.
- Applicants should include supporting information, such as key studies and other strategic information such as network strategies, freight strategies or state strategies to demonstrate that analyses and priorities are evidence based.

### 4.2 Appraisal criteria

#### Criterion 1 – Benefits

- The Department will make a judgement about the degree to which the project will improve safety and productivity for heavy vehicles. This will include consideration of evidence to support claims, for example crash statistics and traffic densities, and BCRs **as appropriate**. Ranking will be on a sliding scale down to those project proposals that demonstrate little or no benefits.

#### Criterion 2 – State or Territory **or local government** contribution

- The Department will consider the financial contribution of the applicant. Projects may be proposed with a state contribution and/or an industry **or local government** contribution and may as a result receive a higher ranking. Ranking will be on a sliding scale.

#### Criterion 3 – Industry Priorities

- The Department will compare the proposed projects with industry priorities. Project proposals that demonstrate a clear link to those proposals identified by industry will be attributed a rank in the appraisal process. Ranking will be on a sliding scale.

#### Criterion 4 – State or Territory Priorities

- Project proposals will be prioritised by each state or territory government. The Department will use the state or territory priorities as provided.

#### Criterion 5 – Risk

- The Department will assess the robustness of the risk assessment process. PPRs should describe the process of assessing exposure to risk and the process for mitigating such exposure. Ranking will be on a sliding scale.

## 5 Decisions

### 5.1 Approval of funding

HVSPP (Round Three) projects may be funded under the following parts of the Act, where appropriate:

- Part 3 – if ‘on the National Land Transport Network’ (the Network);
- Part 4 – if ‘related to transport development and innovation’ (e.g. technology trial project); and
- Part 6 – if ‘Off Network’.

Following an appraisal of the PPR by the Department, advice will be provided to the Minister on the merits of the projects.

The Minister will consider whether the projects will make proper use of Commonwealth resources, as required by Commonwealth legislation, and whether any specific requirements need to be imposed as a condition of funding.

Funding approval is at the discretion of the Minister, **including taking into account the overall mix of projects to be funded between states/territories and categories.**

### 5.2 Advice to applicants

Applicants will be advised by letter of the outcome of their application. Letters regarding successful project proposals will contain details of any specific conditions attached to the funding. Details of approved projects will also be listed on the Department’s website.

### 5.3 Complaint handling

Any enquires relating to funding decisions for this program should be directed to:

Executive Director  
Nation Building Infrastructure Investment Division  
Department of Infrastructure and Transport  
GPO Box 594  
Canberra ACT 2601

Phone: (02) 6274 7631

## 6 Conditions of Funding

### 6.1 Funding arrangements

As the HVSP (Round Three) is funded through the Nation Building Program, funding approvals, allocations and payments will be administered in accordance with the existing NoA. These are available on the Department's website at:

<http://www.nationbuildingprogram.gov.au/publications/administration/>

Further funding conditions include:

- Funding approvals are capped. Capping is applied at the overall program level (that is, no more than \$50 million will be expended in HVSP Round Three) and at the individual state or territory level (that is, no more than the sum of the individual amounts that appear in the projects' approval instruments may be expended).
- Formal variations must be submitted to address changed scope or cost parameters for particular projects. Cost savings may be re-applied to other projects within a jurisdiction, following an approved variation and in accordance with the National Partnership Agreement.
- State and territory **or local** governments will be responsible for any cost increases that exceed their capped funding approval, that is, the sum of approvals in their projects' approval instruments.
- HVSP (Round Three) projects and claims for payment must be complete by the end of 2013-14. Financial reconciliations and Project Closure Reports (PCR) should be provided as soon thereafter as practicable.
- Financial contributions by the state and territory **or local** governments towards HVSP (Round Three) projects are to be attributed directly to the project cost. Other state or territory expenditure, for example expenditure on similar state/territory administered rest area programs, will not be considered as a financial contribution.
- HVSP (Round Three) projects will also be subject to relevant Federal and State Environmental and Heritage legislation, as well as the National Code of Practice for the Construction Industry and the OH&S Accreditation Scheme. Other statutory requirements may include, but are not limited to, native title legislation and state and local government planning approvals.

### 6.2 Specific conditions

There may be specific conditions attached to the funding approval required as a result of the appraisal process or imposed by the Minister. These will be identified in the offer of funding.

### **6.3 Payment arrangements**

Consistent with the NoA, payments will be made to the state and territory governments following receipt of monthly status reports via the Department's Infrastructure Management System (IMS).

### **6.4 Reporting requirements**

As per the requirements set out in the Act and the NoA, monthly project progress reporting and annual audited financial statements will ensure that the terms and conditions of the funding are met. Reporting will be consistent with processes for the Nation Building Program and be administered by IMS. Projects are to be reported against individually for physical and financial progress. Further details are provided in the NoA.

### **6.5 Monitoring**

The funding recipient will be required to actively manage the delivery of the project. The Department will monitor progress against the funding agreement through assessment of progress reports and by conducting site visits as necessary.

### **6.6 Evaluation**

Following the completion of projects, states and territories **and/or local governments** are to conduct project closure actions, as defined in Section 6 of the NoA, and submit formal PCRs (Appendix J of the NoA) for Departmental records. Other project and program evaluations may be conducted, as stipulated in the National Partnership Agreement and the NoA.

### **6.7 Branding**

Consistent with the NoA and Signage Guidelines, project signage will be required for all projects funded under the HVSP (Round Three).

## **7 How to Apply**

### **7.1 Applications**

Applications should be in the form of a PPR. Guidance concerning PPR requirements is at Appendices A and B to the NoA.

Applications that are not in the format required (i.e. PPR) may not be considered.

Application received after the closing time may not be considered.

### **7.2 Application requirements**

Applications must be submitted to the Department by 1700 hours eastern standard time on 31 October 2012 for applications which do not include livestock transport industry projects and by 1700 hours eastern standard time on 30 November 2012 for applications which include livestock transport industry projects.

### **7.3 How to submit an application**

Applications should be submitted in both hard and soft copy to:

**Mrs Deborah Mackrell**

Coordinator  
Heavy Vehicle Safety and Productivity Program  
Nation Building – Infrastructure Investment  
Department of Infrastructure and Transport  
GPO Box 594  
Canberra ACT 2601

Phone: (02) 6274 6839

Email: [deborah.mackrell@infrastructure.gov.au](mailto:deborah.mackrell@infrastructure.gov.au)

## **8 Definition of Terms**

A list of relevant definitions is contained in the NoA at Table 1 'Definition of Terms used in the Notes'.

## **9 Checklist**

A checklist for the applications process is at [Attachment A](#).

**Checklist for the HVSP (Round Three) applications process**

Please confirm that you have considered the following documents in PPR development:

	Notes on Administration for the Nation Building Program (issued July 2009)
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	PPR template and explanatory notes at Appendices A & B to the Notes on Administration
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Please confirm that you have addressed the following requirements in each application:

	Covering Letter
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	Conflict of Interest Declaration
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	Project Category Type
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	'On' or 'Off' the National Land Transport Network
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	Technology Trial
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	Statement regarding the financial contribution being offered by state, territory or industry
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	Industry support for the project
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	State / Territory priority identified for the project
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	Evidence supporting project choice
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	Benefits of the Proposal
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	Cost estimate prepared in accordance with the Best Practice Cost Estimation Standard
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	Benefit Cost Ratio (at P50 and P90), if appropriate
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	Proposal Risk Assessment (emphasis on scope and cost)
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	Project milestones including forecast start and completion dates
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	Location of the work, including GIS reference and map.
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