



Austroads

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Improving Freight Vehicle Access through Direct Private Investment in Public Road Infrastructure

A Framework for Guiding Private Sector Participation

Improving Freight Vehicle Access through Direct Private Investment in Public Road Infrastructure: A Framework for Guiding Private Sector Participation

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Abstract

This report provides a generic framework for private investment in public road infrastructure.

Roads are key enablers of economic and commercial activity, most particularly for those activities that are reliant on freight. The freight industry is constantly looking for ways to increase freight productivity to improve business profitability and competitiveness and to limit the costs passed on to consumers due to increasing freight costs. Often this requires upgrades to the existing network to accommodate different vehicles or different operations.

The framework presented in this report seeks to improve access for freight vehicles through direct private investment in public road infrastructure. It is aimed specifically at providing industry and government certainty of process where industry can invest in specific projects that would improve productivity for their operations.

The framework is a practical approach that can immediately guide process and decision making for both private industry and government, within the confines of existing legislation and policy.

Keywords

Freight access, freight planning, public private partnership, road funding, road investment

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- promote improved Australian and New Zealand transport outcomes
- provide expert technical input to national policy development on road and road transport issues
- promote improved practice and capability by road agencies
- promote consistency in road and road agency operations.

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- Roads Corporation Victoria
- Department of Transport and Main Roads Queensland
- Main Roads Western Australia
- Department of Planning, Transport and Infrastructure South Australia
- Department of State Growth Tasmania
- Department of Transport Northern Territory
- Territory and Municipal Services Directorate, Australian Capital Territory
- Commonwealth Department of Infrastructure and Regional Development
- Australian Local Government Association
- New Zealand Transport Agency.

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This report has been prepared for Austroads as part of its work to promote improved Australian and New Zealand transport outcomes by providing expert technical input on road and road transport issues.

Individual road agencies will determine their response to this report following consideration of their legislative or administrative arrangements, available funding, as well as local circumstances and priorities.

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Summary

Roads are key enablers of economic and commercial activity, most particularly for those activities that are reliant on freight. The freight industry is constantly looking for ways to increase freight productivity to improve business profitability and competitiveness and to limit the costs passed on to consumers due to increasing freight costs. Often this requires upgrades to the existing network to accommodate different vehicles or different operations.

The current system of allocating public funding cannot address all situations where individuals may seek to improve freight access for the benefit of a single or small number of individuals. Therefore, where private industry identifies an upgrade need in order to accommodate their business operations, there should be an opportunity for it to invest in public roads directly where it is a primary beneficiary of the upgrade.

Improving heavy vehicle access on Australian roads through the use of private funding is complex and involves a number of interacting as well as often competing regulatory and commercial issues. The very nature of roads is such that anything involving changes to a road typically attracts a wide range of stakeholders with different interests. Critical then is the development of a centralised framework that guides interactions relating to this investment as well as expectation.

The framework seeks to improve access for freight vehicles through direct private investment in public road infrastructure. It is aimed specifically at providing industry and government certainty of process where industry can invest in specific projects that would improve productivity for their operations.

Purpose of the framework

The framework seeks to improve access for freight vehicles through direct private investment in public road infrastructure. This private investment will provide industry with specific infrastructure enhancements and enable productivity gains, which otherwise would not be possible due to constraints on government capacity.

There are other projects, frameworks and task forces that have impacted this area. In particular, at the time of writing, there are a number of reform agendas that are being pursued by jurisdictions in managing access for heavy vehicles and also for heavy vehicle charging regimes. Regardless of the outcomes of these reforms, there remains a need for a simple, unified and scalable framework to provide clarity of process where the private sector wishes to invest in public road infrastructure to improve access for their operations, or where road managers identify that private investment in public road infrastructure will improve the productivity benefits of a project. This framework will be relevant as a better practice approach to direct private investment, regardless of the outcome of the reforms.

This Austroads project is aimed specifically at the development of a framework that will provide clarity around the processes to facilitate industry investment in specific infrastructure enhancements. The framework is not intended to be a rigid list of requirements, given the differing circumstances of each jurisdiction and of each potential project. Instead, the framework is intended to inform industry and the jurisdictions of the commercial principles that can be considered by the jurisdictions when initiating or responding to a proposal for direct private investment in public road infrastructure and to provide a structure that guides interaction between the private sector and road managers.

Key drivers of this framework are to:

- Provide a structured process for interactions between private industry and government to enable discussion.
- Keep the framework simple and not create potential inconsistency with other processes that exist (such as planning approvals, access approvals).
- Enable road managers to also approach the private sector with proposals.
- Allow enough flexibility for the full range of potential projects that could fall under this framework.

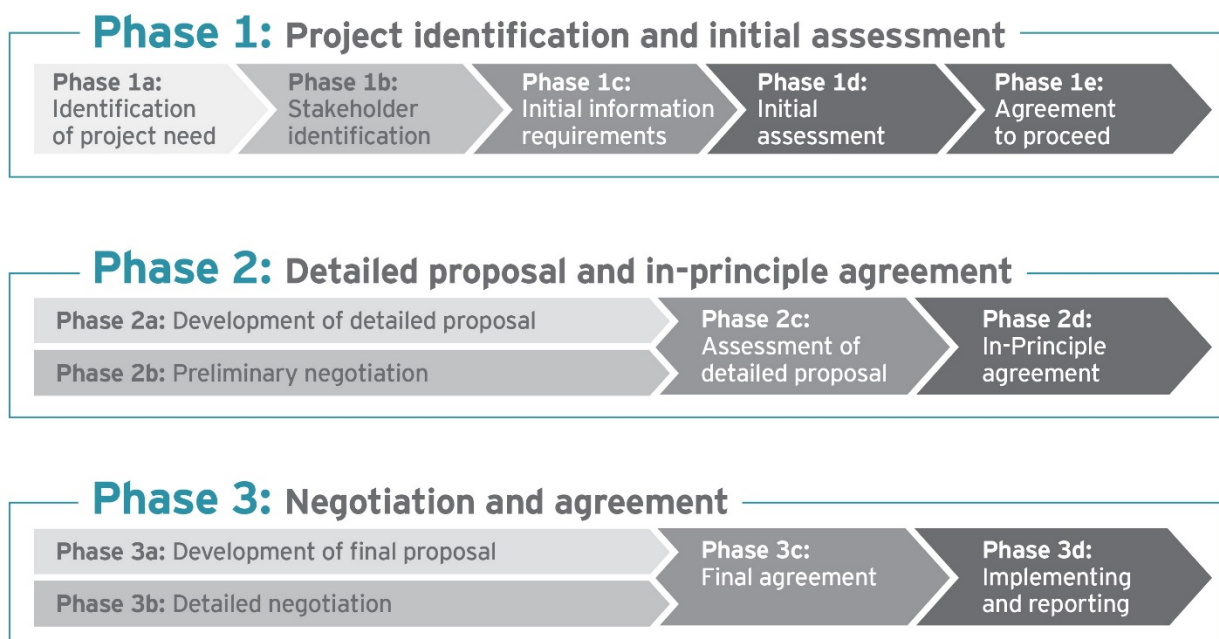
The framework

A generic framework for private investment in public road infrastructure has been developed to provide guidance to public sector agencies and private sector participants in interacting. It is focused on providing a more consistent approach that can be adopted for proposals looking to improve access for heavy vehicles that involve private investment.

It is recognised that the processes required to support each step will vary from jurisdiction to jurisdiction, often based on legislative requirements. However, consistency of the high level approach would allow processes and supporting policies to be aligned over time in a way that provides certainty to both industry and government regardless of the individual mechanisms needed to achieve each step.

There are various Austroads reports that already provide a level of guidance on related processes, particularly around the planning for freight projects and identifying benefits and impacts associated with improving productivity for freight. It is recommended that these reports be considered in conjunction with this framework, for a detailed overview of these associated reports, please refer to Appendix E.

Figure 1.1: A generic framework for private investment in public road infrastructure to improve access for heavy vehicles



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1. Introduction

The framework seeks to improve access for freight vehicles through direct private investment in public road infrastructure. It is aimed specifically at the development of a framework that will provide industry and government certainty of process whereby industry can invest in specific projects that would improve productivity for their operations.

The framework is a practical approach that can immediately guide process and decision making for both private industry and government, within the confines of existing legislation and policy. It is not directly related to or reliant on the outcomes from:

- Any future potential charging regimes such as the heavy vehicle charges determination or future charging frameworks.
- Non-direct infrastructure investment mechanisms such as network-level charging regimes.
- Non-infrastructure investments.

1.1 Rationale for a framework for improving access via direct private investment

1.1.1 How heavy vehicles pay for road use

The current payment system for Heavy Vehicle use in Australia is through fuel and registration based charges known as the PAYGO road user charging system (pay-as-you-go). Fuel charges vary based on the amount of fuel used and are collected by the Commonwealth Government. Registration charges are fixed and determined by vehicle type and configuration; these charges are collected by State and Territory governments.

New Zealand currently operates a Road User Charge (RUC) which is applicable to vehicles over 3.5 tonnes and vehicles under 3.5 tonnes that are powered by a fuel not taxed at source (i.e. diesel fuel).

The primary objective of these charges is to recover both capital and operating costs associated with heavy vehicle usage. In allocating funding to manage road networks, road managers prioritise projects aimed at providing the most benefit to the largest number of users, which creates a situation where projects aimed at improving access for a single beneficiary or small numbers of beneficiaries are unlikely to be considered on a prioritised list of freight related projects.

1.1.2 Enabling access for heavy vehicles

In all jurisdictions, road managers are responsible for providing safe, efficient and sustainable road networks for the travelling public, whilst managing the impacts of the use of those networks on the environment and adjacent land uses. As part of this management, certain classes of heavy vehicles are restricted in their use of the road network. These vehicles are known as restricted access vehicles and, in consultation with jurisdictions including local government, they require the granting of access from the National Heavy Vehicle Regulator (NHVR).

In addition to these broad network restrictions there can also be localised restrictions on various types of general access heavy vehicles. These can relate to weight, height and dimension constraints caused by infrastructure issues such as bridges with weight restrictions, poor quality or low volume road pavement, low structures over the roads and geometric constraints that prohibit turning movements.

A key outcome for road managers is the need to balance the service life of a road asset and often conflicting stakeholder issues with enabling access for vehicles that seek to increase productivity by increasing weight, height, volume or configuration.

One of the things that has been lacking in considering HPV access to date is a commercial view of the road network as a commodity where additional use of the commodity can be paid for, rather than as a right to use through standard payment, or restriction to use based on service life maximisation. As long as broader impacts such as public amenity and road safety issues are properly addressed, it should be possible to deplete a road asset's service life more quickly, as long as that use is properly compensated.

1.2 Purpose of the framework

The purpose of the framework is to:

- Outline existing mechanisms that have been used to enable private investment in public road infrastructure to improve access for heavy vehicles and identify the issues with these mechanisms.
- Identify required tools for a framework to manage private investment in public road infrastructure.
- Provide a level of consistency across jurisdictions on how to manage private investment in public road infrastructure to improve access for heavy vehicles.

2. Overview of Issues

There are a number of issues that affect the successful attraction and/or implementation of private investment in public infrastructure to improve access for heavy vehicles. A number of these issues are discussed in summary below, whilst Appendix B provides background and guidance on a specific number of commercial issues that have been raised during the development of the framework.

2.1 Private sector investment decisions

With any investment decision, often the most critical deterrent is a lack of knowledge of the asset and/or the perception that the investment process is overly arduous. This is often the case in relation to private investment in public roads where there is no nationally accepted framework that details the investment mechanism and a perception that the process is underpinned by significant amounts of red tape. Additionally, these investments can require a considerable upfront capital cost with benefits accruing over a relatively long period.

The benefits that are intended to stem from this significant upfront cost can also be somewhat unclear. In this context, investment in the asset does not lead necessarily to exclusivity regarding use. In some cases the benefits associated with this investment are shared and there is a real possibility that, by using the upgraded road, a windfall may be enjoyed by the investor's direct competitors.

An additional deterrent to investment may be attributed to a lack of knowledge regarding roles and responsibilities over the asset. With a potentially significant number of stakeholders associated with a given road, it follows that there are a variety of perceptions regarding the obligations of both private and public entities in managing the asset. This is largely due to a lack of communication between parties concerning usage and maintenance regimes.

2.2 Public sector influences

In a roads context, there may be competing objectives and policies between departments within the public sector that impact upon potential private investment. For instance, a particular arm of government may have as its economic goal the growth of a particular industry that is dependent on the use of heavy vehicles. This may conflict directly with a road manager's objective for maintenance of roads within the region or for the type of use it requires for parts of the network. Clear government objectives are necessary in displacing private industry's perception of the lack of consistency associated with this type of investment.

Additionally, public sector organisations concerned with road maintenance may share similar competing interests with potential private investors. The commercial principle that if you pay for a good or service – you are entitled to use it, can be in direct conflict with a road manager's goals to protect the service life of its assets, provide required levels of service to all road users and protect amenity for adjacent land owners.

2.3 Broader influences

There can be a high degree of community concern regarding the use of larger vehicles on road networks, particularly local roads. These concerns can be a significant deterrent to the successful implementation of improved access. Management of stakeholder issues is a critical aspect in the preparation, planning, implementation and ongoing operation of improved heavy vehicle access.

2.4 Examination of legal frameworks

A review of relevant legislative frameworks across all of the Australian jurisdictions and New Zealand has been undertaken with a view to identifying potential legal impediments, and private sector participants in their interactions. That review has revealed that most jurisdictions in Australia and New Zealand have legislation in place which allows Government authorities to allow private persons/organisations to enter into agreements with public sector entities for the provision of funding or infrastructure.

While private contributions are usually required where there is an identified need generated through contribution to road damage or demand for road use, only some jurisdictions have provisions that allow voluntary agreements to be entered into with respect to construction and maintenance of public roads.

The review shows that whilst there is significant scope for private investment in public road infrastructure, there are a range of differences in approach between each of the jurisdictions. Aside from the difference in legislative frameworks, at a practical level these differences include varying processes that can change dependent on individuals involved, varying levels of information requirements and levels of interaction between public sector agencies and private sector parties. This leads to potential gaps and inconsistencies which could restrict investment opportunities. These inconsistencies in approach are the only present constraints; no other significant impediments have been identified.

Appendix C provides an overview of a review of existing mechanisms used to enable private investment in public road infrastructure.

3. Facilitating Private Investment in Public Infrastructure

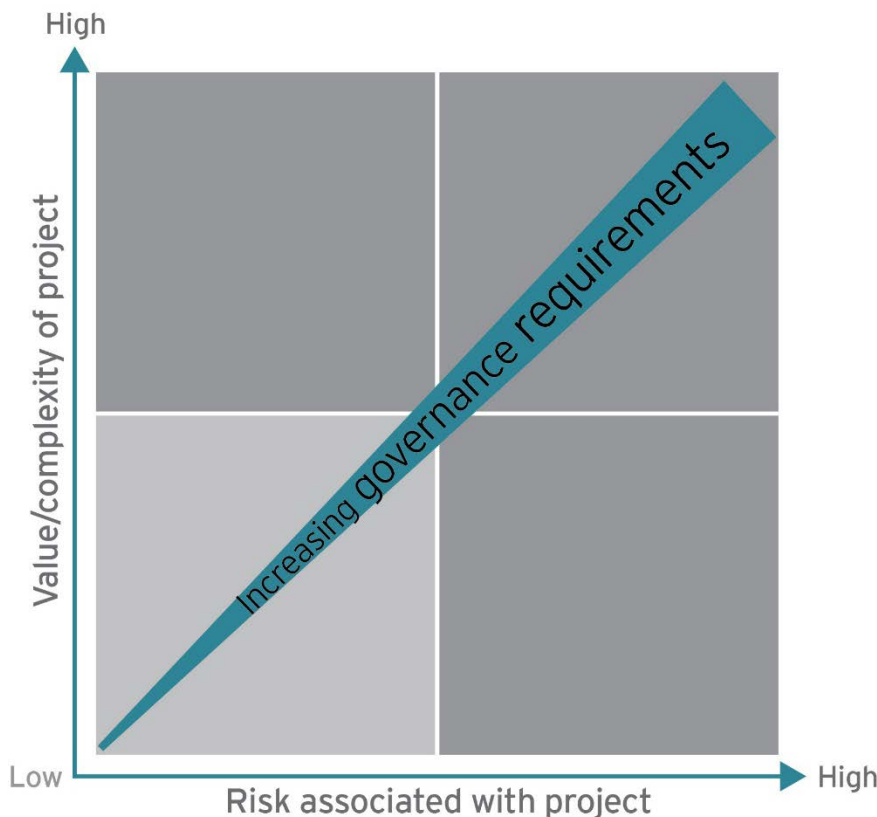
3.1 The need for flexibility

There are many ways in which access can be improved for heavy vehicles and various combinations in which private sector investment can be applied to facilitating this access.

Some projects will be small, with limited risk and limited need for complex commercial arrangements to be negotiated. At the other end of this spectrum, there may be larger projects that include a greater range of stakeholders and have more complex commercial arrangements that may include risk sharing and a portion of public funding along with private investment.

Each project will be different and requires its own tailored approach that addresses its specific technical and commercial particulars. It is critical that any framework has a governance structure that provides accountability for decision making, compliance with legislative and procedural requirements and transparency. The level of risk associated with the project and the value of the project will be the primary drivers of the level of governance required. Figure 3.1 outlines the relationship between the level of governance required and the value/complexity of a project and the risk associated.

Figure 3.2: Drivers for levels of governance



A framework that can guide all of these potential outcomes must be flexible and broad enough to provide guidance under any of these scenarios.

3.2 Governance

Private investment in public road infrastructure comes with a range of responsibilities and risks. Private sector investors need accountability, transparency and influence over decisions that affect their investment. The same can also be said of tax payers who are paying for a level of service relating to the road network, both as users of that network and as neighbours affected by the use of the network. Whilst these needs are the same, the goals of each are often not. There are a number of tools that can be used in balancing these needs and ensuring accountability for decisions.

Governance is crucial to the effective and accountable management of financial transactions and the stewardship of public assets. Any transaction that involves private finance in public infrastructure is no exception and indeed can add significant further governance requirements to ensure the transparency and accountability associated with any deal reached between government and a private party.

Primary governance principles that should be included when considering private investment in public road infrastructure are discussed in Appendix D. The level of detail and formalisation of these principles will be dependent on the scope, cost and risk profile of a particular project.

3.3 Unsolicited proposal guidelines

Unsolicited proposal guidelines have been developed across Australia to support the private sector in directly approaching a government authority with a proposal to invest in public infrastructure. To date, guidelines have been produced in NSW, Victoria, South Australia, Northern Territory, ACT, Tasmania and New Zealand. The National PPP Guidelines also contemplate an unsolicited proposal process and provide some limited guidance that can be followed by those jurisdictions that do not have established unsolicited proposal guidelines in place.

Whilst the unsolicited proposal guidelines differ across the various jurisdictions, each identify criteria that must be met. At a high level, the proposal must be unique, innovative and demonstrate a value for money outcome that could not otherwise have been achieved. There must also be an added benefit to the wider community.

Once the criteria are satisfied, the government authority and private entity may negotiate terms with a view to entering into a binding agreement. Key items subject to negotiation may be the project scope as well as the allocation of funding and risk between interested parties.

The unsolicited proposal guidelines in each jurisdiction outline broad requirements and governance frameworks that must be followed to enable negotiations between the public sector and private sector to be undertaken in a transparent and accountable manner.

3.4 Applicability and structure of the unsolicited proposal framework to facilitate improved access through private investment in public road infrastructure

Each of the respective unsolicited proposal guidelines within jurisdictions, are targeted at large scale private investment in public infrastructure to date. Whilst these guidelines are aimed at these types of investment, the principles and structure of each of the guidelines are applicable for all levels of private investment, including small scale private investment in public road infrastructure at any level of government. The guidelines in each jurisdiction have the basic frameworks that include processes to ensure that the key requirements for managing investment as outlined in Appendix D are incorporated.

These unsolicited proposal guidelines are currently being used with considerable success to enable private investment in all types of public infrastructure in the relevant jurisdictions. It is considered that, with some specific requirements that relate to improving access for heavy vehicles, the structure provided by these guidelines provides a best-practice approach that is appropriate as a basis for a framework to facilitate private investment in public road infrastructure.

3.5 Aligning best practice

Each jurisdiction has its own specific requirements and outlines individual steps in a different way within their respective unsolicited proposal guidelines. There is however three distinct phases that make up the process outlined in each of the guidelines. These phases commence with project identification and initial assessment, followed by detailed proposal and in-principle agreement and completing with negotiation and agreement. Figure 3.3 shows the steps in each jurisdictional unsolicited proposal guideline and aligns it to a broad representation of the three phases. These three phases can be described as follows:

Phase 1: 'Project Identification and Initial Assessment' this includes submitting an initial proposal, confirming the proposal is an appropriate submission under the requirements of the guidelines and satisfying the initial requirements of being unique, innovative and providing Value for Money. At this point, the proposal is conceptual and this phase culminates in an agreement to proceed to develop the proposal further, in line with pre-agreed technical and commercial criteria.

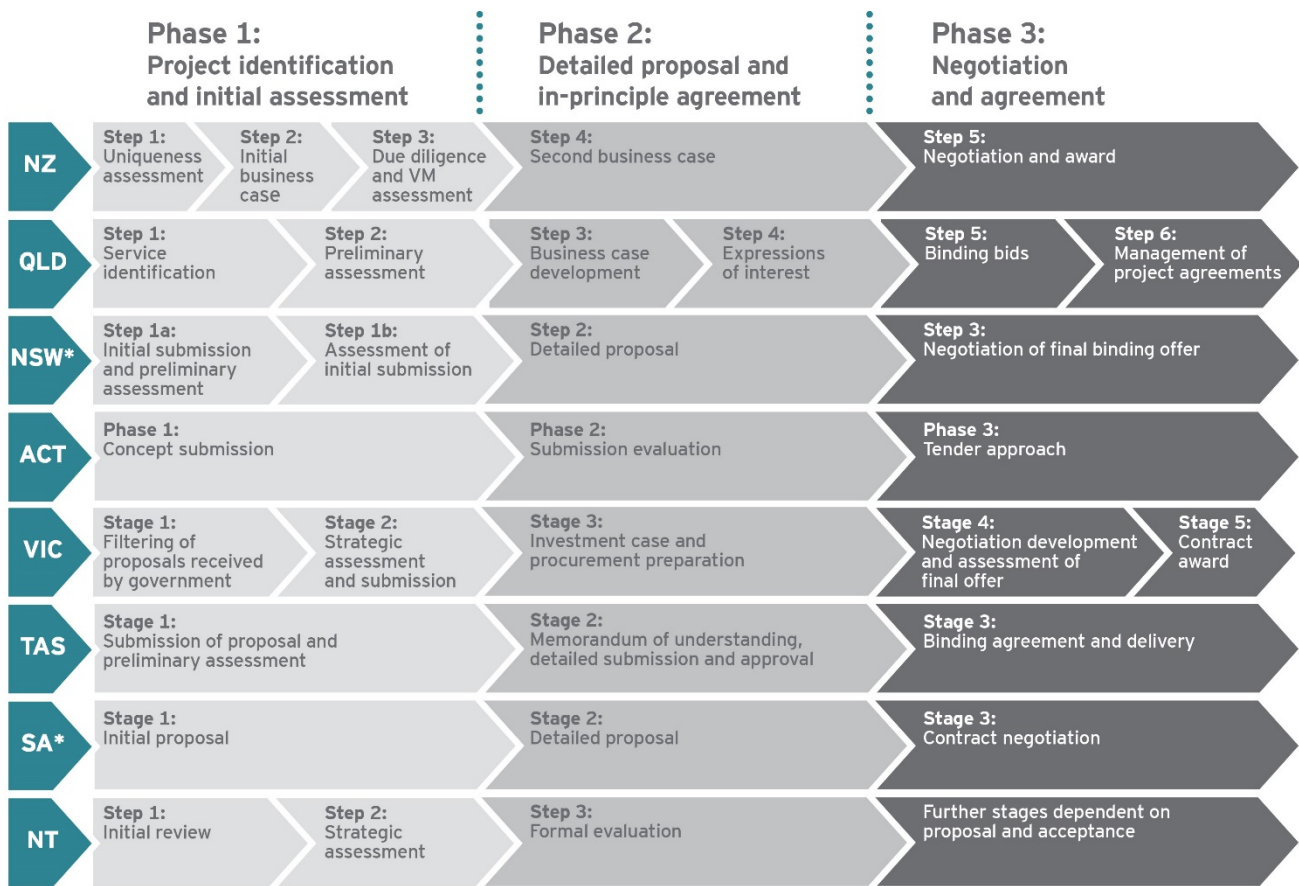
Phase 2: 'Detailed proposal and in-principle agreement' sees the proponent further develop the proposal to a point where the scope, cost and impacts of the project are more fully understood and where initial commercial terms are negotiated. This phase may include producing a business case and a cost-benefit analysis to confirm economic benefits for the wider community. The detailed proposal is evaluated against agreed assessment criteria. If it meets these criteria and both parties agree to proceed, the parties may enter into an In-Principle Agreement as a stepping stone to formalising a contract between the parties. The In-Principle Agreement usually identifies the central terms and conditions to the proposals that each party requires to be formalised before a final contract is entered into. It may also include a requirement for the final scope and cost of the project to fall within agreed parameters prior to a formal contract.

Phase 3: 'Negotiation and Agreement' is the final phase where government and private industry negotiate key terms and enter into a binding agreement, with an aim to end with project delivery and implementation.

All existing unsolicited proposal guidelines follow a similarly phased framework, with differing underlying procedures. These guidelines are recognised as providing the guidance, transparency and accountability required to enable the private sector and public sector to confidently negotiate and implement a project that involves private sector funding and/or financing.

A framework that addresses the requirements of private investment in public road infrastructure to improve access for heavy vehicles will be different in detail due to the differing nature and scale of the projects contemplated and the wider range of private sector parties that may wish to engage with the public sector to improve access for heavy vehicles. However, a framework that follows the basic structure and principles of the unsolicited proposal guidelines can also provide an environment that delivers a similar level of guidance, transparency and accountability.

Figure 3.4: Phases of unsolicited proposals guidelines



*NSW and SA include a 'pre submission' stage where potential projects can be discussed up front to identify their potential to proceed. This stage allows for some feedback to be received prior to committing resources to developing the project further.

4. A Framework for Private Investment in Public Road Infrastructure

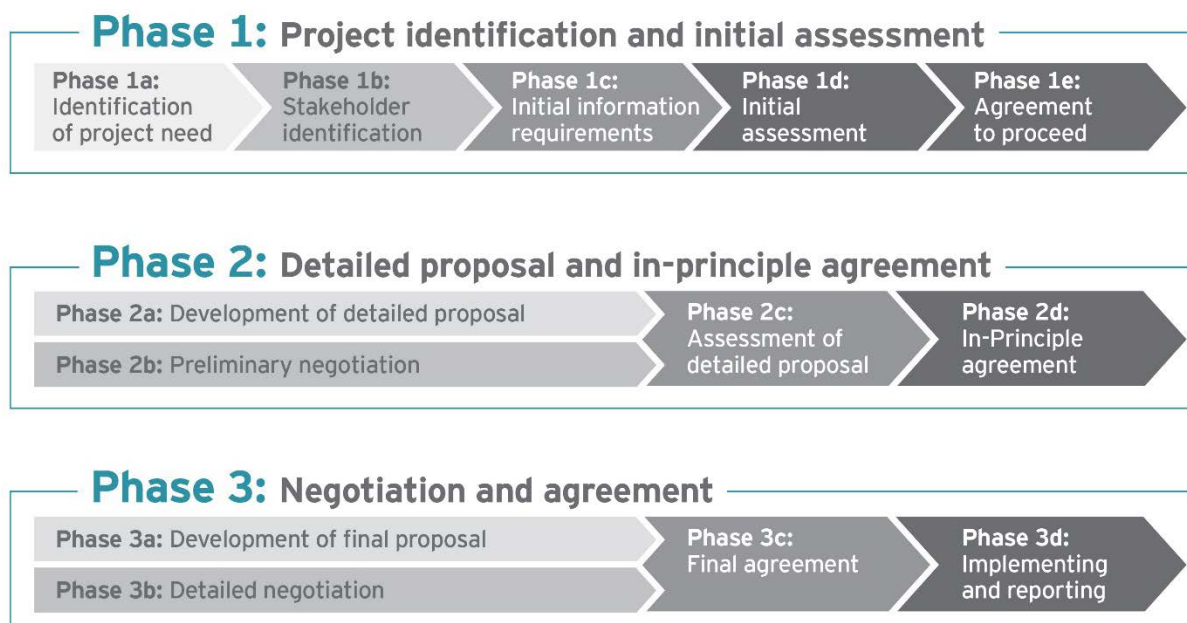
4.1 The base framework

Given potential governance requirements in all jurisdictions and the best practice structure provided by the unsolicited proposal guidelines outlined in section 3, this section provides guidance for a base framework for interactions between the private sector and road managers that involve private investment to improve access for heavy vehicles. This base framework highlights the key steps and notes additional process considerations which will ensure that interested parties are best placed to successfully negotiate an outcome to improve access through direct private investment.

This framework is applicable for both the private sector approaching a road manager with a proposal to invest in public road infrastructure and to the public sector approaching private sector parties with a proposal to contribute to a public road project to facilitate improved access. Given the wide range of potential projects, proponents and levels of complexity, the nature of the proposed project should be considered. The framework provides guidance for a more complex project and rigidly following each step in the framework may not be necessary for many smaller, less complex projects where steps can be combined or omitted where not relevant. Judgement should be exercised in combining or omitting steps and the reasons for doing this should be documented in order to maintain the transparency and accountability provided by the framework.

There are also a range of commercial issues highlighted in Appendix B that have been raised by both government and private industry during the development of this framework. The issues should be reviewed by proponents wanting to begin Phase 1 of the framework to boost their awareness of any potential difficulties that may arise and allow users to consider ways to overcome the issues from the very beginning of the process.

Figure 4.1: A generic framework for private investment in public road infrastructure to improve access for heavy vehicles



4.2 Phase 1: Initial Submission and Preliminary Assessment

The framework for Phase 1 considers the type of information that should be provided in order for a relevant road manager or private sector party to make an initial assessment of a proposed project and determine whether there is sufficient justification for proceeding further with a proposal. This section outlines typical requirements of this phase of a proposal and identifies additional information and steps that may be required to enable private investment in public road infrastructure to improve access for heavy vehicles.

Figure 4.2 shows steps that can be used within this phase.

Figure 4.2: Steps for initial submission and preliminary assessment



4.2.1 Identification of a project need

Under this framework, projects may be initiated by the private sector, primarily driven by identification of particular benefit to, or need of their business to improve access for heavy vehicles. There is also scope for a government authority to identify where private investment in a particular project can also improve access for heavy vehicles, over and above that which might usually be gained. In addition, there may well be situations where a government authority has identified a project for more broad economic, maintenance or safety reasons but due to lower priority or other constraints, has not initiated delivery of the project and where the private sector may wish to see this project delivered earlier than originally planned. For the purposes of the framework, the party identifying the project is called the proponent.

In identifying a project need for improving access for heavy vehicles, a proponent must first consider a number of factors including whether an access permit is required for the proposed vehicles to be used and whether other regulation or legislation would apply.

Access for restricted access vehicles

There may be situations where a road upgrade project is identified to enable access for heavy vehicles that are not general access vehicles approved for use on the target route. This may include restricted access vehicles such as high-productivity vehicles (HPV), or just heavy vehicles limited from using certain routes due to mass, height or dimensional restrictions. The proponent must consider whether the vehicles proposed to be used as a result of the project will require an access approval to be issued under the Heavy Vehicle National Law (HVNL) (Australia) or the Vehicle Dimensions and Mass Amendment Rule (New Zealand). To determine this, proponents must liaise closely in the first instance with the relevant road manager. In Australia, the relevant road manager is the entity identified under jurisdictional legislation as having the particular responsibilities regarding maintenance, safety, operation and construction of roads. In all jurisdictions, with the exception of WA and NT, the relevant road manager also has responsibilities under the HVNL to consider conditions associated with access approvals.

Whilst the program is overseen by the National Heavy Vehicle Regulator (NHVR) at a national level, the management of consenting to access applications is run by the relevant road managers, consisting of State or Territory road authorities and/or local government. It is important for the proponent to work closely with the regulator and road managers in order to determine whether a particular upgrade would entitle it to access.

Consideration of legislative or regulatory requirements

In assessing whether this framework is relevant for a particular project, the proponent must first consider any applicable legislation. Pre-existing legislation or state agreements are likely to cover projects where the scale or importance of the subject matter is such that it requires a regulatory framework. For instance, projects relating to the construction of a new mine are likely to be covered as a condition of approval or more broadly under relevant mineral resource legislation and projects that relate to land use development may be covered by existing planning regulations.

This framework may not be appropriate or applicable if other legislation or regulation would govern the nature and scope of investment required in a public road network such as State, Territory or local government planning regulations. Some of the types of regulation and legislation to be considered are outlined in Appendix C and advice should be sought from the relevant road manager of others that may be applicable.

Identifying an initial point of contact and the relevant road manager

In order to commence the process of investment in public road infrastructure, proponents must first have an initial point of contact and identify the relevant road manager.

For the road networks in Australia and New Zealand, the initial points of contact and relevant road managers are as follows:

Jurisdiction	Initial point of contact	Relevant road manager
New Zealand	NZ Transport Agency	NZ Transport Agency
Queensland	Department of Transport and Main Roads	Department of Transport and Main Roads
NSW	Transport for NSW	Roads and Maritime Services
Victoria	VicRoads	VicRoads
Tasmania	Department of State Growth (Transport)	Department of State Growth (Transport)
South Australia	Department of Planning, Transport and Infrastructure	Department of Planning, Transport and Infrastructure
Western Australia	Main Roads Western Australia	Main Roads Western Australia
Northern Territory	Department of Transport	Department of Transport
ACT	Road Transport Authority	Road Transport Authority
Local Government	ALGA*	Local Council

For local government roads, in the first instance initial contact should be made with the Australian Local Government Association (ALGA). ALGA will then provide guidance to the relevant local government authority.

It may be that a proposed project crosses jurisdictional boundaries and that more than one level of road manager will have an interest in the proposed project. This framework can also be used in a situation where multiple government parties are involved. Where this is the case, a lead agency should be identified to ensure consistency of approach and a single point of contact for the private sector.

In applying this framework, it is necessary for the identification of appropriate processes within road management and contact organisations to ensure efficient management of enquiries regarding proposed projects.

For a public sector proponent seeking to attract private investment to improve access for heavy vehicles, analysis should be performed to identify the type and number of private entities whose operations may benefit from improved access.

In applying this framework, it is necessary for the identification of appropriate processes within road management organisations to ensure efficient management of enquiries regarding proposed projects.

4.2.2 Stakeholder Identification

By identifying potential stakeholders early in the process, the proponent may overcome a number of the perceived deterrents to investment. Improved management of stakeholders can assist in improving communication and facilitate a more developed understanding of the benefits and impacts of the project.

For private sector proponents consideration should be given to those who may be affected by the proposed project, this may include those within the company, such as CEO and Board of Directors, as well as external stakeholders like local communities, small business entities and finance providers. Proponents may also want to engage with other private entities in a partnership arrangement if the proposed project benefits more than one entity, allowing for a more cost effective arrangement.

For road managers, stakeholders that should be considered include other jurisdictions that may be affected by the proposal. This may include local councils, other state government agencies (e.g. Department of Treasury, or various other state based bodies that may be involved in management surrounding the network or developing business opportunities within the community). In identifying other jurisdictional stakeholders, it may be that a number of government partners may be involved in assessing and agreeing the private sector involvement, particularly where the access requirements cross jurisdictional boundaries.

Broader stakeholders that may need to be consulted are local schools, sporting clubs and local businesses.

4.2.3 Initial information requirements

The following outlines at a broad level the basic information that should be readily available when either a public or private sector entity is seeking to initiate private sector investment in public roads to improve access for heavy vehicles:

- **Proponent Details** - Information detailing the proponent name, organisation type, key personnel and other relevant contact details
- **Project Scope** - A short abstract detailing the scope of the project, indicative timing and cost. Potential roles and responsibilities of all parties should also be outlined where available.
- **Anticipated project benefits** - Objectives, outcomes and consequent benefits to all interested parties.
- **Anticipated project impacts** - Measurable impacts of the project including safety, amenity, environmental and disruption impacts.
- **Method of Approach** - details concerning which of the interested parties is proposed to be responsible for funding and building the asset.

In order to ensure that the appropriate project-specific information is understood, the following information should also be considered for inclusion within an initial submission. While requirements may differ based on each individual project and jurisdiction it will at least ensure that proponents have considered a number of requirements to avoid any potential issues further down the process.

The following initial list should be considered as the starting point to scoping out the issues:

- Description of the type of vehicle that is being considered for improved access.
- Description of the freight task (i.e. commodity, average volumes).
- Whether access approval is required from the NHVR and the status of any application.
- Number of heavy vehicle trips proposed for the route over an average week and the productivity benefits provided by the improved access.
- Potential stakeholders affected by the change in heavy vehicle trips on the proposed route.

4.2.4 Initial Assessment

Minimum requirements

The aim of the minimum requirements is to ensure that only proposals that have a genuine aim to engage private sector investment in public infrastructure are put through the process. The purpose of the framework should be met by proposals that are serious about developing a proper partnership in good faith with the public sector. In order to ensure that there is an efficient process there are a number of hurdle requirements that must be passed in order for proposals to be considered for Phase 1. There are two requirements which must be met before moving onto further general requirements.

1. The proposal must include a complete or substantive component of private funding.
2. The proposal must demonstrate an improvement in productivity for key stakeholders involved.

These requirements must be considered first and foremost before further general requirements as outlined below, the inclusion of which may differ based on the magnitude and complexity of the proposed project.

General requirements

For a project to be successful under the framework, there are a series of criteria against which it should be evaluated. Consistent criteria are essential in that they provide a degree of certainty to private industry regarding the applicability of the investment mechanism. These criteria will primarily serve as the basis by which a proposal is assessed by a road manager when approached by a private sector party wishing to invest in public road infrastructure. These criteria may not be relevant for the private sector when assessing whether a public sector entity approaches them to invest. However as a best practice approach they can be used by government as a self-assessment tool in situations where the procurement process has been initiated by the public sector. This will provide a level of accountability and credibility over the process and provide the private sector with the information it would require to fully assess a proposal that may involve an investment decision to improve access for their business.

- **Alignment** – The extent to which the project aligns with government policies and priorities or with a business's corporate strategy, operations or productivity requirements.
- **Value for money** – The extent to which the project represents value for money, particularly where public funding or risk sharing is contemplated. Value for money considerations from the public sector's viewpoint can include the level of public benefit, acceptable technical standards, risk allocation and public funding contributions required. Value for money considerations from a private sector viewpoint may include the level of productivity that can be realised through the investment.
- **Public benefit/impact** – The project must be able to demonstrate the interests of the broader community and be feasible from a social and environmental impact perspective.
- **Risk Allocation** – The extent to which risk is allocated between the parties and the extent to which that risk allocation best represents an acceptable and optimal sharing of risks.
- **Public sector contributions** – The extent to which public sector funds are required to deliver the project.
- **Capacity and capability** – The extent to which the proponent has the capacity and capability to provide the financial investment and/or to undertake the works, as applicable.

For the initial, or strategic, assessment of the project a high level, a qualitative assessment against these criteria should be undertaken to establish the potential for the proposal to satisfactorily address the criteria if progressed to the next phase.

Considerations for road managers during this phase:

In addition to the above evaluation criteria, there are a number of considerations that road managers may take into account when undertaking an initial assessment of a proposed project.

These additional considerations may include:

- Any restrictions proposed to be placed on use of the upgraded road on other restricted access vehicles
- Any requirements relating to ongoing asset management, including road or bridge maintenance or operations requirements.
- Identification of other potential beneficiaries related to the investment and the feasibility of working out a solution for charging, investment and/or use of the associated infrastructure that is acceptable to all potential beneficiaries.
- Any requirement for public funding that requires a business case and/or extraordinary approvals

Considerations for private sector entities during this phase:

In addition to the above evaluation criteria, there are a number of considerations that private sector entities may take into account when undertaking an initial assessment of a proposed project.

These additional considerations may include:

- Approvals processes within entity
- Financial capacity of entity
- Capital expenditure plans and timing of contributions
- Impact on year end reporting
- Budget and forecasts for the year

Once these have been understood it provides a more complete view of what is expected of the project and whether delivery is possible. From this stage, if these preliminary assessments are positive the proponents will move to the next stage to develop a more detailed assessment and create a formal agreement with government.

4.2.5 Agreement to proceed

Following the review of a proposed project and where all parties are willing to proceed to the next stage of further development of the proposal, a formal agreement to proceed should be drafted. Dependent on the relevant jurisdictional requirements and on the scale and risk associated with the project, this may be in the form of a memorandum of understanding, participation agreement, probity and process deed or other relevant agreement form. In line with best practice, an agreement to proceed should cover the following issues as a minimum:

- A description of the scope of the proposed project.
- Dates for the next phase of the process to be finalised.
- Any probity, conflict of interest or confidentiality protocols.
- Any commercial principles agreed for the development of the proposals in the next phase (for example any payment for further development of the proposal, ownership of Intellectual Property, commercial in confidence information, resource commitments, commitment to open book approach to cost development, rights to withdraw).

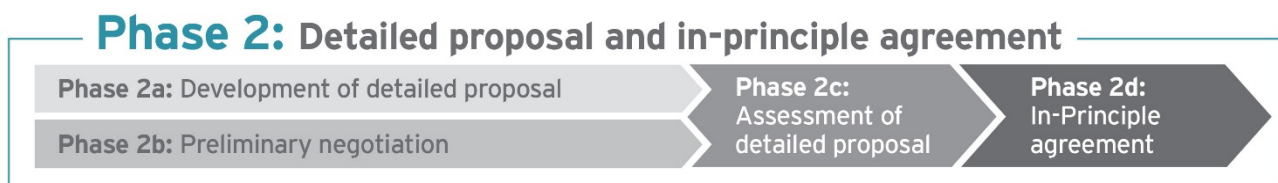
- Evaluation criteria and process that will be applied to ascertain if the project proceeds to the final phase (for example the requirement for a value for money outcome, benefits to be achieved, level of funding sought from each party, acceptable mitigation of potential impacts).
- The level of detail required for the next stage of development of the project solution, which may include such aspects as design detail, costing accuracy and identification of mitigation of impacts such as social or environmental impacts.
- Relevant design standards for the project.
- Any process or governance requirements that will govern engagement between the parties during the next stage of development of the project solution (including progress meetings, steering committee(s), design development approvals, information sharing protocols, negotiation protocols, correspondence or other administrative matters, if applicable).

4.3 Phase 2: Submission of a detailed proposal and formal evaluation

The framework for Phase 2 considers the formal engagement steps that occur once the relevant parties are satisfied that the early indicators of success and information requirements have been met. This phase is aimed at developing the project proposal to a point where both parties are comfortable that the project is deliverable and cost effective and agreements on basic commercial principles are understood.

The agreement to proceed will govern the development of the detailed proposal, the conduct of any preliminary negotiations and the level to which the proposal is developed prior to proceeding to the final proposal and agreement. The governance framework contained within the agreement to proceed will guide the development of the detailed proposal to ensure that integrity of the process is maintained, potential conflicts of interest or confidentiality issues are managed and any statutory or legislative requirements that may arise are identified.

Figure 4.3: Steps for detailed proposal development and in-principle agreement



4.3.1 Development of detailed proposal

Development of the detailed proposal must consider the development of the technical aspects and also the commercial aspects of the proposal.

Technical aspects of the project will include such things as:

- Development of the project against any design standards as agreed in the agreement to proceed, or as agreed in the preliminary negotiations between the parties.
- Consideration of the feasibility of meeting relevant design
- Identification of impacts on the surrounding networks and environment such as:
 - Impacts to surround drainage networks.
 - Land acquisition requirements, if any.
 - Impacts on existing structures such as bridges, culverts, safety barriers, etc.
 - Any impacts to safety standards.

- Any environmental impacts
- Any operational impacts on the road network, such as speed limits, sight distance, lane use, etc.
- Anticipated cost of the project, including risk and contingency allowances.
- Anticipated whole of life costs associated with the project.
- Proposed program of implementation, including planning, construction and commissioning requirements.

Commercial aspects of the project will include such things as:

- Proposed risk sharing arrangements for such risks as:
 - Design risk, including errors and omissions, design standard changes and scope definition.
 - Construction risk, including time, cost and quality risk.
 - Operations and maintenance risk associated with ongoing use of the project.
 - Financing risk, including provision for movement in interest rates or foreign exchange rates and credit risk.
- Confirming the financial feasibility of the project.
- Details of the proposed funding arrangements, including 'where relevant' the proportion of shared funding to be allocated between the parties.
- Details of the proposed procurement strategy, including which entity will be tasked with executing the project.

Other issues:

- Where a contribution for infrastructure is sought from the public sector along with a private sector contribution, a business case that considers the economic merits of the proposal, including a Cost-Benefit Analysis (CBA), may be required in line with the relevant jurisdictional policies and procedures. It is necessary for the benefits of the project to be compared to other potential projects so that it can be demonstrated that a contribution is the best use of public sector funds.

4.3.2 Preliminary negotiation

Critical to this stage of the process is preliminary negotiation over critical project characteristics to ensure that parties are in alignment should the project progress to the next phase.

The detail of preliminary negotiations will be dependent on the size, scale and risk associated with the project, however preliminary negotiation should be detailed enough that the parties are able to reach a common and comprehensive understanding of the key issues regarding the proposal. Dependent on the nature of the project, these key issues may include:

- The scope of the project, focusing on key features such as bridge load limits, road safety or other feature that is particularly important to either party.
- A defined range of cost for the project and the level of contingency to be included.
- The proposed risk sharing arrangements.
- The level of government funding required, if any.
- The approach to procurement.
- The conditions under which shared funding will be considered, for example bringing forward an already identified project within a longer-term pipeline of investment, or ancillary works aimed at improving an existing deficiency.

4.3.3 Assessment of detailed proposal

The public sector will be the ultimate assessor of whether a proposed project to improve access for heavy vehicles presents a value for money proposition for the public road network. In most cases, the road manager will be tasked with formal evaluation of the proposal.

Where the proponent is the public sector taking a proposal to the private sector, the private sector will ultimately undertake its own assessment of whether a project to improve access for heavy vehicles presents a compelling case for investment. Therefore, the assessment referred to here is the assessment process for the road manager.

The evaluation process should involve a formal assessment of the project against the criteria as outlined in section 4.2.4 and agreed in the Phase 1 agreement to proceed. These criteria may be supplemented by other considerations that have developed during the initial phases and during preliminary negotiations, and it is essential that all parties know what these additional considerations are and their importance to the assessment of the detailed proposal.

4.3.4 In-principle agreement

Dependent on the scale and complexity of the proposed project, a formal agreement may be required to guide the final negotiations and development of the final agreement between the private party and the relevant road manager or government agency. Where projects are simple and the parties are comfortable that a final binding offer can be agreed without this In-Principle Agreement as a stepping stone to a formal contract, this step may be consolidated with the requirements outlined in Phase 3.

Dependent on the nature of the proposal, there may be a need for appropriately qualified resources to develop the in-principle agreement, including legal, financial and technical advice.

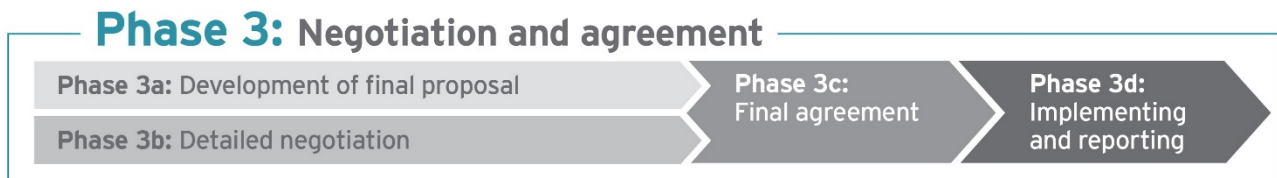
This agreement will be governed by the requirements relevant jurisdiction; however the in-principle agreement should address the following key areas as a minimum:

- A process for identifying and treating Intellectual Property developed during the process;
- A process for determining the final project costs (for example, open book approach or publicly tendered price);
- Timeframes for completion of the negotiation;
- Rights and obligations of each of the parties;
- Information requirements;
- Compensation arrangements, including for the potential purchase of Intellectual Property by government and/or cost sharing arrangements between government and the private party for costs incurred in developing the proposal;
- Confidentiality and approval requirements;
- Management of conflict of interest;
- Probity, process and protocols for negotiation;
- Schedule of items and issues to be negotiated;
- Any conditions placed on the further development of the detailed proposal by the governance framework of either party; and
- Any process or governance requirements that will govern engagement between the parties during the next stage of development of the project solution (including progress meetings, steering committee(s), design development approvals, information sharing protocols, negotiation protocols, correspondence or other administrative matters, if applicable).

4.4 Phase 3: Negotiation and Agreement

The framework for Phase 3 considers the formal steps that occur once each party has agreed that the project proposal is worth delivering and the project is developed to a stage where the outcomes can be clearly understood, including the technical and commercial implications. This phase is aimed at finalising the agreed detail of the project, including any outstanding commercial arrangements. This phase culminates in the execution of a final agreement between the parties and implementation of the project.

Figure 4.4: Steps for negotiation and agreement



4.4.1 Development of final proposal offer

This final stage in the process involves proponent developing the detailed proposal into a final and binding offer for the consideration of the other party/parties.

Development during this phase should not introduce any material deviations from the proposal developed and agreed during phase 2. Development during this phase may include:

- Refinement of costing accuracy.
- Confirmation of design detail.
- Finalisation of commercial approach, including confirmation of procurement process, risk sharing and cost sharing arrangements (if any).

4.4.2 Detailed negotiation

Detailed negotiation around the final offer will be dependent on the nature of the proposed project and the level of detail and agreement reached during phase 2 preliminary negotiations. The administrative and governance arrangements outlined in the in-principle agreement executed between the parties as completion of phase 2 will govern detailed negotiation. These detailed negotiations must have as an outcome the complete and comprehensive understanding of the project by both parties to enable the final binding agreement to be entered into.

4.4.3 Final agreement

Dependent on the nature of the proposal, there may be a need for appropriately qualified resources to complete negotiation and final agreement, including legal, financial and technical advice.

The final agreement should be developed in line with the relevant jurisdictional requirements for contracting.

Guidance is also provided in the National Public Private Partnership Policy and Guidelines where appropriate, which outlines commercial principles for economic infrastructure at:

http://www.infrastructureaustralia.gov.au/public_private/ppp_policy_guidelines.aspx

Potential consequential impacts

It is possible that the private investment agreement proposed may impact on other agreements already in place. In order to ensure that consequential, or flow-on, impacts are understood the following issues should be investigated when developing the final agreement:

1. Are there any existing agreements or binding arrangements between the parties that may be affected?

In some instances a government authority may already have an agreement with the private sector party that may be affected by a new agreement. Examples include owners of toll roads that seek to improve heavy vehicle access on their road to allow larger vehicles, or developers that are already required to improve road access as a condition of approval and who wish to undertake additional works to allow larger vehicles.

2. Will this agreement affect any other agreements that either party may have with a third party?

In some instances one of the parties may have an agreement with a third party that is impacted by the private investment agreement. Examples include where an independent contractor or road operator has an agreement with the relevant road manager to operate and/or maintain the road on which a private investment proposal is to be implemented. Changes to the road asset may result in changes to traffic volumes, or to the operation and maintenance of the road, potentially leading to this third party agreement requiring modification.

4.4.4 Implementation and Reporting

As outlined in the final agreement, one of the parties will be tasked with the role of implementing the project. This implementation role may include such activities as:

- Design development and project planning
- Project construction
 - Tender preparation and award
 - Contract or construction management
- Handover to the relevant road manager
- Fulfilment of any maintenance requirements as outlined in the final proposal.

Regardless of who is responsible for the implementation of the project, there will be a requirement for reporting to the government and potentially other stakeholders on the progress, outcomes, risks, cost and responsibilities of parties. This is the most important means by which the appropriate investment checks and balances may be enforced.

Implementation and reporting requirements may differ depending on the size and/or importance of the project to the community and should be scaled to the extent that they ensure accountability and transparency. As a minimum, the following issues should be considered within any implementation and reporting plan prepared for the relevant project for each of the following phases:

During design development and project planning

The activities that may take place during this phase include engaging with key stakeholders, finalising the design through to “issued for construction” status and obtaining any required approvals. During this phase, the following key controls should be considered:

- A project program that defines key dates and interdependencies for design, approvals and key construction activities.
- A design management plan that includes any requirements for document control, design review and audit, design verification and design approvals.

- An approvals management plan that includes a listing of the relevant project approvals that may be required (environmental, planning, heritage, emergency services and other authority approvals for drainage, etc) and the responsible party for obtaining those approvals.
- A stakeholder engagement plan that includes a listing of key stakeholders and responsibility and timeframes for engaging with those stakeholders.

During project construction

The activities that may take place during this phase include managing tender preparation and award, where required. Dependent on the delivery method agreed in the final agreement, this phase may also include contract or construction management, environmental management and stakeholder management. During this phase, the following key controls should be considered:

- A project program that defines key dates and interdependencies for each key activity and construction package of work.
- A tender management program that includes requirements for tender preparation, approvals, advertising and award.
- A construction or contract management plan that includes a management structure showing roles and responsibilities, effective quality and safety assurance requirements, any approvals or controls on works that impact utilities on or near sensitive areas (environment or heritage), traffic management requirements, incident reporting requirements, community engagement requirements and preparation and approval of as-built drawings.

During project handover to the relevant road manager

The activities that may take place during this phase include completion and commissioning of work and handover to the relevant road manager. During this phase, the following key controls should be considered:

- A completion management plan that includes collation of all relevant quality control records, approvals obtained, defects identified and a process for rectifying them, and 'as-built' drawings.
- A commissioning plan that includes any commissioning tests that may be required to certify the asset for use (these may include such activities as safety audits, electrical or mechanical testing or specialist operator training requirements where relevant). The plan should also consider any approvals or acceptances of finished work required from the relevant road manager or other authorities such as emergency services, drainage authorities etc.

During maintenance

Where any maintenance requirements are specified or form part of the final agreement, the following requirements may be considered:

- An operations and/or maintenance management plan that includes roles and responsibilities, key operation or maintenance standards that apply to the asset, any specific asset management requirements including relevant operation or maintenance procedures, a forecast maintenance program for the period of the agreement and any key performance indicators that may be relevant.

Austrroads Reports AGPD – “Guide to project delivery” provides specific guidance on best-practice project delivery which should be consulted in carrying out projects

When approaching the framework, proponents may want to consider use of the checklist provided in Appendix A. The aim of the checklist is to assist both private and public sector parties in applying the framework in a simplified way. While all items will not be relevant for each project it is useful to go through and consider each item on the list to ensure completeness and preparation for use of the framework.

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Appendix A Framework Checklists

The purpose of the checklist is to assist the public sector and private industry in applying the requirements of the proposed framework.

The checklist is structured to move through the three phases of the framework and step through the detailed processes that are involved within each phase. This checklist should be used as an indicative guide and should not be relied upon as a fully robust and all inclusive checklist; requirements will vary depending on the jurisdiction and type of project and will be informed by agreement between the parties as a project is progressed.

The checklists can be downloaded in Microsoft Word format from the Austroads publications website <https://www.onlinepublications.austroads.com.au/items/AP-R490-15>

For consideration by proponents in implementing the framework:

Prior to initiating the detailed guidance below, proponents should consider the nature of the proposed project and exercise judgement in applying each step of the checklist. The guidance is provided for each step of the framework, some of which may not be necessary for many smaller, less complex projects where steps can be combined or omitted where not relevant. Judgement should be exercised in combining or omitting steps and the reasons for doing this should be documented in order to maintain the transparency and accountability provided by the framework.

Proponents should also consider whether specialist resources are required to assist with the development of various key documents, including contractual documents such as the In-Principle Agreement and Final Agreement.

Proponents should make reference to Appendix B which outlines several significant commercial issues that have been identified by key stakeholders, across both government and private industry. While these issues may not be applicable for all situations, given the impact some of these issues may pose on the process, proponents should be aware of them and be prepared to address them should they arise.

Proponents should consider whether there are any existing agreements or binding arrangements between the parties that may be affected and therefore impact the proposal process. Proponents should also consider whether an agreement made under this framework will affect any other agreements that either party may have with a third party, such as access agreements, project agreements or development agreements.

Table A 1: Checklist Phase 1: Project Identification and Initial Assessment

Phase 1: Project Identification and Initial Assessment		
Private Sector Proponent	Public Sector Proponent (as per Private Sector Proponent unless otherwise indicated below)	Check (Y/N)
Identification of Project Need		
Do the heavy vehicles contemplated to be used as a result of improved access require access approval under the National Heavy Vehicle Law or other State, Territory or local jurisdiction regulation?		
Are there any applicable legislative or regulatory requirements that must be considered? (e.g. do developments at the site require approvals under local government planning)		
Who is the initial point of contact? Is this a local road (ALGA) or state road (State road authority)? <i>Consideration of Commercial Issue #3 – is an independent assessor required to avoid any potential bias or conflict of interests?</i>	Who is the initial point of contact? Who are the identified beneficiaries for the project?	
	Are there jurisdictional approvals that must be sought prior to approaching the private sector (e.g. council approval, CEO approval?)	
Stakeholder Identification		
Who are the broader stakeholders that should be considered? <ul style="list-style-type: none"> Local communities (schools, sporting clubs, local interest groups) Local businesses Finance providers Board of Directors / CEO Parent Company Other private entities that may potentially benefit or be affected by the project (Consideration of Commercial Issue #2) 	For a public sector proponent who are the stakeholders which should be considered: <ul style="list-style-type: none"> Local communities (schools, sporting clubs, local interest groups) Local businesses Other jurisdictions (state or local government, other state government departments (e.g. Department of Treasury, Water Authorities, state development) Other private entities that may potentially benefit or be affected by the project (Consideration of Commercial Issue #2) 	

Phase 1: Project Identification and Initial Assessment		
Private Sector Proponent	Public Sector Proponent (as per Private Sector Proponent unless otherwise indicated below)	Check (Y/N)
Initial Information Requirements		
Does the initial submission include the following:		
Proponent Details - Information detailing the proponent name, organisation type, key personnel and other contact details.		
Project Scope - A short abstract detailing the scope of the project, indicative timing and cost. Potential roles and responsibilities of all parties should also be outlined where available.		
Anticipated project benefits – Objectives (including expected productivity benefits), outcomes and consequent benefits to all interested parties.		
Anticipated project impacts - Measurable impacts of the project including safety, amenity, environmental and disruption impacts.		
Method of Approach - Details concerning which of the interested parties is proposed to be responsible for funding and building the asset.		
Has the following information been provided where appropriate?		
Description of vehicle type being considered for improved access		
Description of the freight task (i.e. commodity, average volumes)		
Access approval requirements under the Heavy Vehicle National Law and status of any application		
Number of heavy vehicle trips proposed for the route over an average week and the productivity benefits provided by the improved access		
Potential stakeholders affected by the change in heavy vehicle trips on proposed route		
Other information appropriate to the complexity of the project (e.g. consideration of commercial issue #4 from Appendix B relating to consideration of route completeness)		
Initial Assessment		
Does the proposal as presented meet the following minimum requirements?		
Does the proposal include a complete or substantive component of private funding?		
Does the proposal demonstrate an improvement in productivity for heavy vehicles?		
Does the proposal as presented meet the following objectives?		
Does the project align with government policy and priorities?		
Does the project represent Value for Money?		
Does the project demonstrate a benefit for the public?		
Is the project feasible from a social and environmental perspective?		
If there is risk sharing between parties, is it an acceptable and optimal arrangement?		
What is the level of private sector contribution of the project?		
What is the extent of public sector funds required for delivery, if any?		
What is the capacity and capability of the proponent to provide financial investment and undertake the works, as relevant? (Consideration of Commercial Issue #6)		

Phase 1: Project Identification and Initial Assessment		
Private Sector Proponent	Public Sector Proponent (as per Private Sector Proponent unless otherwise indicated below)	Check (Y/N)
<p>The public sector may take into account the following considerations when undertaking an initial assessment of a project proposal:</p> <ul style="list-style-type: none"> • Are there any restrictions to be placed on the use of the upgraded road on other heavy vehicles? • Are there any requirements relating to ongoing asset management, including road or bridge maintenance or operations requirements? • Are there other potential beneficiaries of the project and is there feasibility of working out a solution for charging, investment and use of the associated infrastructure that is acceptable to all potential beneficiaries • Any requirement for public funding that requires a business case and/or extraordinary approvals <p><i>For further discussion around the above points, please refer to Appendix B. The relevant commercial issues are #2, #5, #6</i></p>	<p>The private sector may take into account the following considerations when undertaking an initial assessment of a project proposal:</p> <ul style="list-style-type: none"> • Approvals process within entity • Financial capacity of entity • Capital expenditure plans and timing of contributions • Impact on year end reporting • Budget and forecasts for the year 	
Agreement to Proceed		
Any agreement to proceed should consider the following:		
1. Description of the scope of the proposed project		
2. Have dates been agreed for the next phase of the project?		
3. Probity, conflict of interest and confidentiality protocols included where appropriate (Consideration around the need for an independent assessor under commercial issue #4)		
4. Commercial principles that have been or need to be agreed for the development of the proposals in the next phase		
5. Evaluation criteria that will be applied to determine if project will reach final phase		
6. Understanding of the level of detail required for the next stage of development (detailed design, costing accuracy).		
7. Relevant design standards for the project		
8. Process or governance requirements that will guide engagement between the parties during the next phase.		

Table A 2: Checklist Phase 2: Detailed Proposal and In-Principle Agreement

Phase 2: Detailed Proposal and In-Principle Agreement	
Development of Detailed Proposal and Negotiations	
Where your agreement to proceed included a negotiation process and governance requirements, ensure relevant procedures are in place to confirm compliance with these requirements. Key items to consider:	
<ul style="list-style-type: none"> • Dates for the next phase of the process to be finalised • Any probity, conflict of interest or confidentiality protocols • Evaluation criteria and process • Progress meetings / Steering committee(s) • Design development approvals • Information sharing protocols / correspondence • Negotiation protocols 	
Where your agreement to proceed included relevant design standards for the project and a level of detail required for the next stage of development, ensure that there are procedures in place and a program to ensure compliance with these requirements. Key items to consider:	
<ul style="list-style-type: none"> • Does the project solution meet the design standards as agreed in the agreement to proceed or within the preliminary negotiations? • Have all impacts on surrounding networks and environment been identified? (e.g. drainage networks, land acquisition requirements, safety standards) • Has the cost of the project, including risk and contingency allowances been determined to an agreed level of accuracy? • Does the developed solution include a proposed program of implementation, including planning, construction and commissioning requirements? 	
Where your agreement to proceed included any commercial principles ensure that there are procedures in place to confirm compliance with these requirements. Items to consider:	
<ul style="list-style-type: none"> • Level of government funding required? • Does the proposed risk sharing arrangements for design, construction and financing meet the requirements in the agreed to proceed? • Does the proposed solution provide confirmation of financial feasibility? • Have the proposed funding arrangements, including if relevant, the proportion of shared funds to be allocated between the parties been agreed upon as per preliminary negotiations? • Does the proposed solution include details of the proposed procurement strategy as agreed? 	
Other things to consider if government funding is proposed to be provided:	
<ul style="list-style-type: none"> • Development of a business case to consider economic merits of the project • Stakeholder engagement requirements • Other relevant approvals that may be required, including planning or environmental approvals 	
Assessment of detailed proposal	
A formal assessment should be undertaken against evaluation criteria that were outlined in in point 5 of the Agreed to Proceed document, where appropriate.	
Ensure all requirements under the agreement to proceed are met	
Have relevant approvals processes been followed prior to entering into any agreement, by appropriately authorised and delegated representatives of both parties?	

Phase 2: Detailed Proposal and In-Principle Agreement

In-principle agreement

Does the In-principle agreement cover the following areas where appropriate?

1. Process for identifying and treating Intellectual Property developed during the process;	
2. Process for determining the final project costs (for example, open book approach)	
3. Timeframes for completion of the negotiation	
4. Rights and obligations of each of the parties	
5. Information requirements	
6. Compensation arrangements including the potential purchase of Intellectual Property by government and/or cost-sharing arrangements between government and private party for costs incurred during the development phase of the proposal.	
7. Confidentiality and approval requirements	
8. Management of conflict of interest	
9. Probity, process and protocols for negotiation	
10. Schedule of items and issues to be negotiated	
11. Any conditions placed on the further development of the detailed proposal by the governance framework of either party.	
12. Any process or governance requirements that will govern engagement between the parties during the next stage of development of the project solution	

Table A 3: Checklist Phase 3: Negotiation and Agreement

Phase 3: Negotiation and Agreement	
Development of final proposal offer and detailed negotiations	
Consideration should be given to the administrative and governance arrangements outlined in the In-Principle Agreement, and processes should be put in place to ensure compliance with these requirements.	
Where the In-Principle Agreement outlined a schedule of items for negotiation, have they been developed and provided in line with the agreement?	
Where the In-Principle Agreement outlined conditions to be placed on the further development of the detailed proposal, ensure that appropriate procedures are put in place to confirm compliance. The following items may be considered appropriate developments: <ul style="list-style-type: none"> • Final solution may include refinement of costing accuracy, in line with In-principle agreement • Confirmation of design detail should be produced for the final solution in line with In principle agreement • Finalisation of commercial approach, including confirmation of procurement process, risk sharing and cost-sharing arrangements (if any) for final solution 	
Where the In-Principle Agreement outlines the process for determining final project costs, ensure there are procedures in place to confirm compliance.	
Final Agreement	
Ensure the final agreement meets the relevant requirements for contracting within your jurisdiction	
Ensure final agreement incorporate all outcomes agreed during negotiations. For example: <ul style="list-style-type: none"> • Delivery Time Frames • Project Scope • Key commercial principles • Delivery requirements • Government approvals • Risk allocation and payment mechanisms • Value for Money 	
Implementation and Reporting	
Protocols and procedures should be put in place to ensure the obligations under the agreement are fulfilled, regardless of which party is responsible for project implementation.	
The following key controls should be considered during the design development and project planning process	
A project program that defines key dates and interdependencies for design, approvals and key construction activities.	
A design management plan that includes any requirements for document control, design review and audit, design verification and design approvals.	
An approvals management plan that includes a listing of the relevant project approvals that may be required	
A stakeholder engagement plan that includes a listing of key stakeholders and responsibility and timeframes for engaging with those stakeholders	

Phase 3: Negotiation and Agreement	
The following key controls should be considered during project construction	
A project program that defines key dates and interdependencies for each key activity and construction package of work	
A tender management program that includes requirements for tender preparation, approvals, advertising and award.	
A construction or contract management plan that includes a management structure showing roles and responsibilities, effective quality and safety assurance requirements, any approvals or controls on works that impact utilities or near sensitive areas	
The following key controls should be considered during project handover to the relevant road manager	
A completion management plan that includes collation of all relevant quality control records, approvals obtained, defects identified and a process for rectifying them, and 'as-built' drawings	
A commissioning plan that includes any commissioning tests that may be required to certify the asset for use	
The following requirements should be considered during maintenance of the project	
An operations and/or maintenance management plan that includes roles and responsibilities, key operation or maintenance standards that apply to the asset, any specific asset management requirements including relevant operation or maintenance procedures, a forecast maintenance program for the period of the agreement and any key performance indicators that may be relevant. (Consideration of Commercial Issue #5)	

Appendix B Guidance For Commercial Discussion

The following table outlines a number of key commercial issues that may arise when direct private investment in public roads is considered. They present a more detailed view on several issues outlined in section 2 and 4.2.4 as well as some additional issues that have been raised by private sector operators. The purpose of the discussion is to outline the potential issue and to identify how this may affect either government or private industry in its approach to private investment. As outlined in section 3.1, each potential project is unique and may have none, some or a combination of these issues present.

Table B 1: Consideration of potential key commercial issues

Commercial Issue #1: Upfront capital cost
<p>The upfront capital cost of investment for these projects can be considerable. This has an impact on balance sheets and cash flows for private sector operators. For a significant number of projects that involve access improvement, the upfront capital cost is high, whilst the benefits will accrue over a relatively long period. In the case of smaller operators and freight operators operating under tight margins, this may not a sustainable way to invest even if the benefits are clear.</p> <p>Private sector proponents and road managers may wish to consider alternative mechanisms to upfront private investment in projects to improve access. Alternative mechanisms may include staged payments over time or a rate of use type charge factored to pay back the cost over a defined period. Some jurisdictions may also consider whether it is possible to recoup costs through the access permit process.</p>
Commercial Issue #2: Certainty of process and outcome
<p>For the framework to be effective it needs to run efficiently and be considerate of the time and expense required of all parties involved.</p> <p>Private investment decisions and commercial negotiations require timely decisions and responsiveness to issues. Where there is uncertainty or protracted response times, private industry cannot and will not bear the costs associated with delay or changing requirements. The issue facing private industry is around uncertain or protracted timeframes and lack of clear standards or decision making that could result from interacting with road managers in a commercial negotiation. Given that small business entities and sole traders make up a large percentage of the freight market and freight operators work under increasingly tight margins, they don't have the financial capacity and resources to be dealing with extensive and lengthy government processes.</p> <p>With respect to road managers, the private sector needs to be aware of the various demands under which road managers operate. There are a range of stakeholders that may need to be consulted and certain government procurement and probity processes that must be followed. These interactions and processes can add time to decision making regarding projects, but can be managed effectively and proactively to ensure that they are efficient and responsive to private sector needs.</p> <p>There needs to be an understanding of the requirements of both parties. Private sector parties need to be willing to cooperate with road managers and be cognisant of stakeholder involvement and government processes. Road managers need to ensure that they have appropriate levels of resourcing and skills to manage a commercial transaction and clear project management processes that ensure probity and identify clear timing for key decision points. These types of investments have the potential to represent significant financial outlay (and therefore risk) for private sector proponents and must be treated as a commercial transaction.</p>

Commercial Issue #3: The 'first mover' issue

The first mover issue is one where there is a dis-incentive to be the first person to invest to improve a route, as the benefits resulting from your investment may not be exclusive to your business. Instead, a 'free rider' situation can be formed where other parties may benefit from your investment without contributing to any of the costs. This can create a stagnant environment where limited parties would be willing to be the first in providing funding because the same benefit could be gained by patiently waiting for someone else to invest. This is a significant issue and is likely to be applicable to a range of projects that may be undertaken under this framework.

This issue is most likely to arise in situations where a proposed project would result in an upgraded route that could benefit several competitive parties, such as opening access to a new development, or creating a connection to a key freight route for permit restricted vehicles.

There is not a clear response to this issue as road managers cannot restrict access to the public road network for general access vehicles without potentially raising competition issues under the *Competition and Consumer Act 2010 (Cth)*.

For restricted access vehicles that require access approvals to operate on certain routes, it may be possible for a road manager to apply the permit framework to enable recovery of costs associated with an upgrade, however again this would require investigation and specific legal advice to ensure that competition law was not breached.

Every project will be different and the response to this issue needs to be tailored to the specific requirements of the parties and the situation in which the project is built.

Commercial Issue #4: Potential conflict of interest of road managers

The two way nature of this framework allows for private industry to approach road managers and vice versa to enable works on public roads to improve access for heavy vehicles. While the framework provides private industry with a mechanism for investment in public infrastructure, the decision making power lies with the road manager as the responsible 'owner' of the road asset.

In fact or perception, this could create a situation where a road manager's interests may not be aligned with a private sector party's interests. Road managers may be perceived as not dispassionately reviewing a project's requirements or negotiating a commercial outcome with a private sector party, but seeking to protect its own interests. Whilst private sector parties may be perceived as focussed on only their own financial goals to the detriment of broad road network users and stakeholders. .

The aim of the framework is to make the entire process fair and reasonable; from initial deliberation over proposal acceptance and standards through to the final negotiations between parties. Dependent on the circumstances of a potential project, this may call for a level of independence to be provided. This level of independence could be provided through appointment of an 'independent reviewer' or by undertaking the commercial negotiations through a separate agency.

Commercial Issue #5: Certainty in route completeness

The purpose of the framework is to allow for private industry and the public sector to be proactive in the implementation of infrastructure upgrades that can benefit freight operators.

Both road managers and private industry parties need to be aware of the full extent of the intended route that will be in use once the upgrade is complete to ensure that continuous access can be provided as intended and to avoid the potential situation where improved access is provided through a single upgrade and is then thwarted by a constraint remote from the site of the project.

In a collaborative environment, private sector proponents and road managers must work together across jurisdictions to ensure that the full route is understood before any commitment to a specific project.

Commercial Issue #6: Future maintenance of and access to the infrastructure

When investing significant amounts of money to improve access for heavy vehicles, private industry needs to have comfort that the upgrade and its associated route will continue to be available over the longer term. Private sector investors will require certainty in respect of this investment and can be concerned that future circumstances may change their access to the route. This may take place either through encroaching development or community interests that may result in restrictions being placed on the use of the route, or that lack of maintenance of the route may result in it being unsuitable for the heavy vehicles that are travelling on it.

There are commercial remedies that can be incorporated into agreements that may provide some level of comfort. These commercial remedies may include partial cost reimbursement in the event of alteration of the route or provision of alternative routes in the event of impeded access. These commercial remedies must be carefully considered and balance the initial capital cost, the effect of restriction of access, the benefits expected to be realised from the route, and the road managers responsibilities for the road.

There are also planning tools and management responses to this issue, including planning restrictions placed on development adjacent to these routes, asset management strategies.

Appendix C Existing Mechanisms Used to Enable Private Investment in Public Road Infrastructure

Private investment in public road infrastructure is not a new concept. This type of investment has been taking place in all jurisdictions, however the mechanisms used to enable the investment vary widely and very few enable proactive approaches between the private and public sector to invest in public road infrastructure to improve access for heavy vehicles. This section outlines the more widely used mechanisms and provides some examples and outlines the issues associated with their use in relation to private investment in public road infrastructure to improve access for heavy vehicles.

1. Existing mechanisms that are used for private investment in public road infrastructure to improve access

Within Australia and New Zealand, there are two primary legislative based mechanisms that are widely used to facilitate private investment in public infrastructure to improve access for heavy vehicles:

- **Granting of development approvals:** In most jurisdictions, there is pre-existing legislation that empowers government authorities to require private entities to invest in public infrastructure as a condition of relevant development approvals. This is generally where the activity requires new developments that place unsustainable pressure on pre-existing infrastructure.
- **Public sector agreements:** Most jurisdictions allow private industry to enter into a direct agreement with a public sector entity. Within such contracts, Government is able to establish conditions for development contributions, maintenance and usage of public assets.

In addition, various jurisdictions have also enacted legislation that facilitates the contribution of private entities where their operations have contributed to the need for increased maintenance or construction costs.

A review of the types of commonly used legislative based frameworks available in each jurisdiction is shown in Table C 1.

Table C 1: Existing frameworks that are used currently for private investment in public infrastructure

#	Legislative Framework	Common aspects	Examples	Applicability
1	Local government approval mechanisms	Development conditions <ul style="list-style-type: none"> • Government requires private entities to invest in public infrastructure as a condition of granting development approvals. • Usually occur where business operations or increased used as a result of the development place untenable demand on existing infrastructure. 	Planning and Environment Act 1997 (Vic)	Only applicable where a development is occurring. Does not allow for investment in the absence of a development application.
		Planning/infrastructure agreements <ul style="list-style-type: none"> • Agreements entered into between a private person and the State concerning the provision or funding of infrastructure. • Generally requires a person to have made a development application, or to be the owner of land in an area covered by a planning scheme. 	s.93F of the Environmental Planning and Assessment Act 1979 (NSW). s.173 & 174(s) of the Planning and Environment Act 1987 (Vic)	Is not directed at proactive investment or investment by a business that is not a land owner. Similar frameworks do not exist in all jurisdictions.

#	Legislative Framework	Common aspects	Examples	Applicability
2	Statutory road maintenance contribution mechanism	Road use fees <ul style="list-style-type: none"> Legislation that requires private entities to contribute to the cost of road maintenance. Usually occurs where the entity's operation is damaging the road. 	Transport Operations (Road Use Management) Act 1995 (Qld)	Targeted at road maintenance and not improved access. Is not applicable across different jurisdictions.
		Agreements for road construction <ul style="list-style-type: none"> Certain legislation allows for voluntary agreements between the State and a private entity for road construction and maintenance. Usually occurs where the private entity has a direct interest in or will receive a benefit from construction or maintenance of the road. 	Part 6 of the Queensland Transport Infrastructure Act 1994 (Qld)	May be used to facilitate improved heavy vehicle access projects. Requires different approvals requirements across jurisdictions, most requiring approval at Ministerial level. Similar frameworks do not exist in all jurisdictions.
		Adjacent land and subdivisions <ul style="list-style-type: none"> Land owners adjacent to and that benefit from the construction of a new road may be required to contribute to the cost. 	Road Management Act 2004 (Vic) s.6AA of the Roads and Jetties Act 1935 (Tas)	Mechanism is aimed at state government obliging contributions from adjacent land owners. Does not allow proactive investment by private sector or investment remote from land.
		Use of heavy vehicles / business demand <ul style="list-style-type: none"> Where damage has been caused due to the use of heavy vehicles, the government may recover the repair costs from the entity responsible. This may be achieved through a contractual agreement. 	s.85 of the Road Traffic Act 1974 (WA).	Mechanism focussed on repair of damage or rectification of issues arising from use. Is not directed at proactive investment to improve access.
		Indirect private investment in road maintenance <ul style="list-style-type: none"> There exist various legislative mechanisms across jurisdictions to protect road assets, including repairing damage, fines and motor vehicles tax. 	s.102 of the Roads Act 1993 (NSW) s.84 of the Road Traffic Act 1974 (WA) s.59 of the Control of Roads Act (NT)	Mechanism focussed on repair of damage or rectification of issues arising from use. Is not directed at proactive investment to improve access.
		Access approvals <ul style="list-style-type: none"> It is possible under the HVNL for road managers to issue consent to heavy vehicles to access public roads that are subject to a condition that the relevant operator must contribute to the cost of road maintenance and repair. 	s.154 of Heavy Vehicle National Law Approved Guidelines for Granting Access , February 2014, section 9.3(3)	Mechanism focussed on repair of damage or rectification of issues arising from use. Is not directed at proactive investment to improve access.
3	State agreements and large scale development needs	<ul style="list-style-type: none"> Agreements between proponents of major projects and the State. The agreements specify the rights, obligations, terms and conditions for the development of large scale projects. These are ratified as a legislative instrument. 	Mineral Sands (Beenup) Agreement Act 1995 (WA). Roxby Downs (Indenture Ratification) Act 1982 (SA).	Generally applicable to the development and approval of large-scale infrastructure projects. Is not applicable to proactive investment to improve access for heavy vehicles and is not available across all jurisdictions.

#	Legislative Framework	Common aspects	Examples	Applicability
4	Specific Mineral Resources/ major projects legislation	Mineral Resources Legislation <ul style="list-style-type: none"> Legislation that provides for the State to require private entities to invest in public infrastructure as a condition of enabling their mining activities to occur. 	Mining Act 1978 (WA)	Focussed on facilitating investment resulting from projects in the mineral resources sector. Is not applicable to proactive investment to improve access for heavy vehicles and is not available across all industry sectors and jurisdictions.
		Major Project Legislation <ul style="list-style-type: none"> Legislation that deals with the approval and development of major projects and large scale infrastructure. Investment may be enabled by imposing conditions or giving private entities the ability to enter into agreements with the State. 	State Development and Public Works Organisation Act 1971 (QLD) Part 9A of the Planning and Environment Act 1987 (Vic)	Generally applicable to the development and approval of large-scale infrastructure projects. Is not applicable to proactive investment to improve access for heavy vehicles and is not available across all jurisdictions.

2. Issues with current legislative frameworks

As observed in Table C 1, there are already mechanisms that exist and that have been used to enable private investment in public roads via a series of legislative frameworks. However the range of investment mechanisms and their different application across jurisdictions reduces the level of certainty required by private industry when considering investing in public road infrastructure.

Of the above listed frameworks mechanisms, none have been designed with the primary purpose of facilitating private investment in public roads to improve access for heavy vehicles. These frameworks have been used to enable private investment in public infrastructure as an ancillary measure to a separate primary purpose, for example, additional works to facilitate heavy vehicle access to a commercial site being developed under planning regulations.

Consideration of the broader policy outcomes underpinning each type of legislation brings with it an added level of complexity as policy objectives are informed by local needs and this may vary within each jurisdiction. Therefore, clearer understanding around the broader priorities is needed to provide greater certainty to the private sector in considering where private sector investment is appropriate.

3. The need for a framework to encourage and enable private investment to improve access for heavy vehicles

A framework is required that is specifically targeted at private investment through a proactive approach that allows both private sector and public sector parties to approach one another with certainty on proposals to improve access for heavy vehicles.

This framework must be flexible enough to enable the vastly different levels of investment that may be associated with improving access, from minor works in specific locations to larger-scale and more complex works that may involve multiple parties.

The integrity of any investment hinges largely on the presence of an investment framework and the degree to which it is appropriately managed. This is particularly the case where the public sector makes use of private sector financing to deliver public assets. Here, entities involved in the project are fully accountable to the government and the wider community. They must be able to clearly communicate the risks and benefits involved, as well as the manner in which they are achieved. The key elements of underpinning the management of any framework are 'governance' and 'accountability'

Appendix D Required Tools for Managing Private Investment in Public Infrastructure

1. Governance

Private investment in public road infrastructure comes with a range of responsibilities and risks. Private sector investors need accountability, transparency and influence over decisions that affect their investment. The same can also be said of tax payers who are paying for a level of service relating to the road network, both as users of that network and as neighbours affected by the use of the network. Whilst these needs are the same, the goals of each are often not. There are a number of tools that can be used in balancing these needs and ensuring accountability for decisions.

Governance is crucial to the effective and accountable management of financial transactions and the stewardship of public assets. Any transaction that involves private finance in public infrastructure is no exception and indeed can add significant further governance requirements to ensure the transparency and accountability associated with any deal reached between government and a private party.

Primary governance principles that should be included when considering private investment in public road infrastructure are shown in Figure D 1. The level of detail and formalisation of these principles will be dependent on the scope, cost and risk profile of a particular project.

Figure D 1: Primary governance principles



2. Accountability

Accountability is a critical component of good governance. It ensures that actions and decisions taken by road managers fulfil their responsibilities of stewardship of the road network. There is an obligation to government and to the public that comes with this stewardship and requires road managers to provide information about their decisions and actions and to justify them to government, enforcement agencies and to the public. There is also an obligation on private sector participants to similarly provide accountability to boards, banks and other investors for the investment that they make.

For private investment in public road infrastructure to improve access for heavy vehicles, governance processes should enable the road manager and any private sector party to meet their accountability requirements.

3. Risk management

Appropriate management of risks associated with private investment in public road infrastructure is required to identify, manage, control and report on risks. Transfer of risk, resources and/or funds between public and private sector parties can introduce new and specific material risks.

For private investment in public road infrastructure to improve access for heavy vehicles, governance processes should incorporate the identification of risk and the responsibility and procedures to manage and share risks between private and public sector parties. The formalisation of risk management requirements will vary, dependent on the level of investment and the type of agreement proposed. For small scale investment where there is limited or no risk transfer between the parties, a simple approach to risk management could be adopted that identifies and addresses the limited number of risks that may arise. For larger scale or more complex investment in public infrastructure, a more formal risk management approach will be required.

4. Compliance

Both public sector agencies and some private sector companies or individuals operate in quite complex regulatory environments. Compliance frameworks for road managers and private investors can be instrumental in ensuring that the legal and regulatory obligations of both parties can be met.

- For private sector parties investing in public roads, there may be compliance requirements in respect of bank loans, shareholder reporting obligations or other corporate compliance requirements.
- For road agencies, there are a range of legislative and regulatory obligations that can impact the decisions that are made in respect to private investment in public road infrastructure. There are also policy requirements, business processes and approval frameworks for which compliance is required.

For private investment in public road infrastructure to improve access for heavy vehicles, governance processes must identify compliance requirements in relation to the road in question and the specific investment for each phase of a negotiation involving private investment, including compliance with:

- Laws and regulations.
- Financial policies and procedures.
- Delegated decision making and approval policies and procedures.
- Probity, conflict of interest and confidentiality policies and procedures.
- Tender and Contract management procedures.
- Design and construction standards.
- Other procedures and standards that may be applicable such as operational, environmental or stakeholder requirements.

5. Decision making

Decision making is an important part of governance. Good decision making is fundamental to good governance and ensures that decisions made get the balance right between the often divergent interests. Decisions can be made at various levels of the hierarchy in both public and private sector organisations. It is critical that everyone involved in an investment process understands at what level certain decisions can, or must, be made.

Where they are delegated to do so, road managers make decisions on behalf of government and as such have a responsibility to represent the interests of all stakeholders. However not all decisions that may affect private sector investment in public road infrastructure are delegated to road managers and this needs to be well understood to ensure compliance with higher level governance requirements at a whole of government level.

In private sector organisations, levels of delegated decision making can be unclear and it is critical to understand the level of delegated decision making within that organisation to ensure any negotiated outcomes are legal and binding.

For private investment in public road infrastructure to improve access for heavy vehicles, governance processes must identify the decisions that must be made by both the private and public sector parties and the level within their respective hierarchies at which those decisions must be made.

6. Stakeholder management

Stakeholders can have financial, political, managerial and even operational effects on road networks and on any private investment decisions to improve access on these networks. Management of these stakeholders is therefore critical to successful private investment decisions and the management of risk.

Definitions of what a stakeholder is can vary, however proactive and appropriate identification and management of stakeholders can assist in being prepared to respond to expectations or issues and will mitigate the risks to achieving a successful outcome for private investment in public road infrastructure.

For private investment in public road infrastructure to improve access for heavy vehicles, governance processes should include processes to identify and manage stakeholders, including internal and external stakeholders as follows.

Internal to government or the private sector party, including:

- Other levels of government including central agencies such as treasury and finance or planning departments.
- Local council councillors.
- Private company board members.

External to government or the private sector party, including:

- Local community businesses or facilities such as schools, sporting clubs, etc.
- Adjacent land owners.
- Local interest groups.
- Other road users.

7. Monitoring and reporting

Effective monitoring and reporting is fundamental to managing and meeting all of the above-mentioned key principals for governance. It is also critical for ensuring ongoing improvement in processes and provides confidence to all parties in the investment process.

For private investment in public road infrastructure to improve access for heavy vehicles, governance processes should include monitoring and reporting on all key governance requirements. Monitoring and reporting should focus on processes for identifying:

- The different requirements for the different levels of audience, including steering committees, government agencies, approval authorities, etc.
- A targeted number of health metrics that indicate the progress of the development, negotiation and agreement of the proposed project, including activity progress, cost, quality etc.
- Key events that may trigger risk notification or milestone completion.
- Key approval and compliance requirements.
- Areas for improvement in process requirements.

Appendix E Related Austroads Reports

This report provides guidance on the facilitation of private investment in public road infrastructure to improve access for heavy vehicles. It focuses primarily on the management process for the interaction between private sector parties and road managers in the identification and negotiation of an agreement relating to a project. There are a number of related processes when considering projects of this nature; from planning and design through to project implementation and maintenance.

A number of Austroads reports provide guidance on planning for freight projects and identifying benefits and impacts associated with improving productivity for freight. These reports may be useful in assessing the benefits and impacts of a freight project, as well as assisting in appropriate planning and development of the project.

Similarly, there are a number of Austroads reports that provide guidance on project procurement and delivery. In addition to relevant jurisdictional requirements, these reports will assist road managers in addressing all facets of a project that may be nominated for private sector investment.

Table E 1: Relevant Austroads reports – Freight Planning and Assessment

Austroads Reports – Freight planning and assessment
<p>Austroads Report AP-R228-03 – Planning for Freight in Urban and Rural Areas</p> <p>The purpose of this project was to develop a best practice guide for planners and traffic engineers to deal with planning issues associated with development projects that will affect freight movements, particularly in urban areas.</p> <p>In particular, part C provides a framework that can be used by transport professionals in considering new development projects that are predicted to affect freight patterns, or to find solutions for existing freight difficulties.</p>
<p>Austroads Report AP-R316-07 – Guideline for Freight Routes in Urban and Regional Areas</p> <p>The purpose of this report is to provide guidance to state road agencies and the transport industry in:</p> <ul style="list-style-type: none"> • stating the benefits of identifying, approving and managing urban and rural freight route networks for state road agencies, the transport industry and nearby communities • describing the types of freight routes that state road agencies should consider progressing as a freight route network • outlining criteria (and rules of thumb), a process and jurisdictional success stories in determining freight route networks • providing detailed planning guidance for nominating particular links – which may be sensitive or where there are competing choices – as components of a freight route network.
<p>Austroads Report AP-R333-09 – Guidelines for Assessing Heavy Vehicle Access to Local Roads</p> <p>The purpose of these guidelines is to provide information and an easy-to-follow process that informs and guides local government, the freight sector and state agencies to:</p> <ul style="list-style-type: none"> • improve the level of understanding when considering heavy vehicle and restricted access vehicle access to local roads • provide information to assist with the process to apply when assessing applications for heavy vehicle access • improve the level of consistency and transparency in decision-making across the country.

Austrroads Reports – Freight planning and assessment

[Austrroads Report AP-R465-14 – Quantifying the Benefits of High Productivity Vehicles](#)

The report examines the existing and future benefits of High Productivity Vehicles for the period to 2030, focussing on:

- Direct benefits: operational safety, operator productivity, and environmental performance
- Indirect benefits: flow-on economic benefits, community freight exposure and road pavement maintenance.

In particular, the Freight Exposure methodology presented in this report provides a potential approach to assessing community-level impacts that may result from the introduction of High Productivity Vehicles. An approach that assesses community benefits in this way may provide increased support for private investment.

[Austrroads Report AP-R470-14 – Guidelines for Planning and Assessment of Road Freight Access in Industrial Areas](#)

The purpose of these guidelines is to provide information based on best practice to help all participants understand the needs and challenges associated with developing road freight road access and circulation in industrial areas, and to outline easy-to-follow processes that will inform and guide all those involved in the planning and assessment of road freight road access in industrial areas.

Table E 2: Relevant Austrroads reports – Project Delivery

Austrroads Reports – Project Delivery

[Austrroads Reports AGPD – Guide to project delivery](#)

The Austrroads Guide to Project Delivery provides guidance to road agency personnel involved in the delivery of infrastructure projects. It should be read in conjunction with the Austrroads and Australasian Procurement and Construction Council Building and Construction Procurement Guide – Principles and Options and the relevant road agency's own policies, guides and procedures.

The Guide compiles existing material available from Austrroads members and elsewhere into a resource which provides an Australasian approach to project delivery that covers the main road agency requirements. The Guide also uses examples and references from locally applied areas of practice or standards.

The Guide has four parts:

- Part 1: Overview
- Part 2: Planning and Control
- Part 3: Contract Management
- Part 4: Direct Management of Project Works

[Austrroads and Australasian Procurement and Construction Council's \(APCC\) Building and Construction Procurement Guide – Principles and Options](#)

The Guide has been custom-designed for use by Australian state and territory agencies engaged in civil (road and bridge) and non-residential building projects.

It outlines a process for the development of procurement strategies, and specifically responds to a range of issues raised by industry by establishing a series of common tendering and contracting principles.



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