

Conclusions of the National Audit Office

Drafting of the amendments to the decree on dimensions and weights of heavy lorries

In a number of central government strategy documents, the functioning of Finland's transport system has been identified as an important prerequisite for competitiveness and economic growth and there are many transport policy measures that can be taken to improve the situation. This audit is the second in a series of two audits, in which the transport policy measures aimed at ensuring a good operating environment for business operators is discussed. The aim of the audits was to determine how the economic impacts arising from the major decisions supporting economy growth taken by Finland's transport administration could be assessed and managed in a better manner. The focus in this audit was on the knowledge base of the amendments to the decree on the maximum permitted dimensions and weights of heavy lorries issued in 2013.

Under the amendments issued by the Government in 2013, the maximum permitted height of heavy lorries was increased from 4.2 to 4.4 metres and the maximum permitted weight from 60 to 76 tonnes. The amendments are expected to have significant economic impacts. The resulting savings in logistics costs over the next twenty years are put at between 1.6 and 3.2 billion euros. It is estimated that as a result of the amendments the state will have to spend 610 million euros on its transport infrastructure and bridges.

Despite a tight timetable, the drafting work was carried out in a thorough manner

The amendments to the decree on maximum permitted dimensions and weights were drafted between 2012 and 2013 and the timetable for the work was relatively tight.

The officials responsible for the drafting were able to produce the essential information for decision-making and, considering the timetable, the drafting was carried out in a professional and thorough manner. If more time had been allocated to the work it would have been possible to make a more detailed and comprehensive assessment of the impacts and feasibility of the amendments. The tight timetable also put heavy pressure on the experts preparing the impact assessments.

The impact assessments and feasibility calculations produced as part of the drafting work were of great use in the decision-making process. The impact assessments had a particular effect on the technical details of the decision, twin tyre requirement and the length of the transitional period in connection with the entry into force of the new decree.

There was room for improvement in the collection and documentation of background information

The documentation of the work stages of the impact assessments and feasibility calculations and the basis for the calculations was inadequate. The calculations had not been presented in a detailed manner and not all background information was included in the documents. Some of the important calculation assumptions, such as the interest rates accrued over a period of twenty years, were missing. Some of the documents used in the assessment were not even available to the auditors.

The cost-benefit calculations made as part of the drafting give a ratio between the benefits for transport companies and the infrastructure costs incurred by central and local government. It was stated in the memorandum detailing the assessment results that the ratio describes the socio-economic feasibility of the amendments. However, the cost-benefit ratio applying to a single sector is a useful reference figure rather than a comprehensive presentation of socio-economic feasibility.

The amount of repairs needed in the state-owned road network and bridges was comprehensively assessed during the drafting work. There was no reliable information on roads owned by municipalities or private roads which would have allowed the repair needs in this part of the Finnish transport network to be assessed. For this reason, only a general estimate of the repair needs in private roads and roads owned by municipalities was produced.

The most important impacts of the amendments had been assessed but no macroeconomic reviews had been produced

According to the audit findings, the most important impacts of the amendments were assessed. In addition to the transport costs and cost arising from repairs to the transport infrastructure, the officials drafting the amendments also assessed their impacts on traffic safety, the environment, business operations, municipalities and local government finances.

It is recommended in the guidelines steering the assessment of the impacts of statute drafting that in addition to separate impact assessments, there should also be a macroeconomic assessment of the impacts of the statute in question. In this case, no macroeconomic assessment was carried out. The impacts on competition between companies, division of labour between road and rail traffic, international traffic and investments by companies should also have been assessed. In the section discussing the impacts on the authorities' work, there were no references to whether the monitoring of the implementation of the restrictions on dimensions and weights requires specific supervisory measures or whether it can be managed with existing practices and resources.

The amendments may also have an impact on the division of labour between road and rail traffic. This issue was not discussed in the documents describing the impact assessments or in the documents used as a basis for the amendments even though in the opinions issued on the proposed amendments it had been hoped that the impacts on the division of labour between different modes of transport had also been assessed.

The assessment of the traffic safety impacts produced as part of the drafting of the amendments was not very comprehensive. In the opinions issued as part of the consultation process it was also suggested that the overall impacts of the amendments on traffic safety might differ from what had been estimated during the drafting stage.

The impact of the funding allocated to transport infrastructure repairs on the benefits and costs of the amendments had been assessed by calculating the benefits and costs in a situation where the funding would only be half of the estimated need. The alternative in which improvements would only be carried out in local roads had also been assessed. The funding for the repairs required by the amendments was prepared parallel to the drafting of the content of the decree. Accordingly, a total of 55 million euros was allocated to the repairs in the Government spending limits decision for the period 2014 - 2017.

Follow-up carried out in accordance with guidelines would produce useful information

Under the guidelines on statute drafting and the impact assessments of the drafting process, the drafting process must be subjected to a follow-up. There had been no systematic follow-ups or follow-up plans by the time the audit was performed.

However, the Finnish Transport Agency has produced reports on trends in axle and vehicle weights, improvement needs in bridges, stress on roads and the strength of road foundations.

A comprehensive follow-up would produce useful information on the actual impacts of the amendments and it would also allow more specific allocation of funding and the assessment of the manner in which money has already been spent.

Recommendations of the National Audit Office

The National Audit Office issues the following recommendations to the Ministry of Transport and Communications:

1. Impact assessment or other assessment carried out as part of the drafting should be documented so that the different stages of the review are reported in a clear and easy-to-understand manner. The base values and assumptions used in the calculations should be presented in a clear manner.
2. Particular consideration should be given to the documents containing information used as a basis for decision-making.
3. Comparability and comprehensiveness of the information used as a basis for economically important decision should be ensured. All major impacts should be assessed and all figures should be based on adequate and reliable information.
4. There should be a follow-up on the statute drafting and the impact assessment carried out as part of it.