Speech

Regulatory Reform Conference

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Introduction

Good afternoon everybody and thankyou for the opportunity to speak today.

You may think that we have some unnecessary laws in Australia, but there are some pretty strange ones still technically in force in the USA.

For example, reportedly if you ever find yourself driving at night through rural parts of Pennsylvania, state law requires

you to stop every mile to send up a rocket signal to clear any livestock.[1]

You might say 'only in America'. But as you know, in some cases Australia has a lot of regulations in place that arguably need to be repealed or amended.

Like many industries, the Australian transport sector faces a lot of rules and regulations. Some are necessary and do produce really good outcomes, particularly from a safety perspective, while others deliver very little benefit and end up making life difficult for industry.

The NTC is an independent statutory body, set up to improve safety and productivity by undertaking national reform in the road, rail and intermodal sector.

Our work aims to reduce costs for industry participants, reduce road and rail deaths and injuries, improve

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[1] Top Craziest Laws Still on the Books, Legal Zoom, Stephanie Paul October 2007, https://www.legalzoom.com/us-law/more-us-law/top-craziest-laws-still

compliance outcomes and introduce more effective and efficient regulation.

We are jointly funded by state, territory and federal governments and submit national transport reform recommendations for approval to the Transport and Infrastructure Council which comprises federal, state and territory transport, infrastructure and planning ministers.

The NTC also plays an important role in implementation planning to ensure agreed national reform outcomes are realised on the ground. We also coordinate, monitor, evaluate and maintain approved national reforms.

I began as Chief Executive and Commissioner of the NTC in July 2013. My previous role was Executive Director of the Office of Transport Security, where I was the national regulator for transport security in aviation and maritime sectors. As such, I am familiar with laws and regulation and

the sorts of issues that come along in design and implementation.

At the NTC, we believe there are several important aspects to creating an environment where policy settings, legislation and regulations don't create a tangle of unnecessary red tape but rather achieve better safety, productivity and environmental outcomes.

These are:

- Be innovative – it's not necessarily all about more laws and regulation. Regulation is an important tool but should only be imposed where it is deemed absolutely necessary to achieve outcomes.

- Remove inconsistencies in policies across states and territories where they create a compliance burden

- Develop a collaborative approach to any policy and regulatory reform with stakeholders from an early stage

- Regular monitoring and review of reforms is important to ensure best practice.

It's not just about more regulation – there are other ways for government to help achieve better outcomes.

At the NTC we realise that our work is not just about creating more laws and regulation to solve the problems facing the transport industry. There are often other, more innovative, non regulatory ways to influence outcomes.

One example of an alternative approach to regulation is the National Road Safety Partnership Program.

This initiative was totally driven by industry as an innovative way to improve road safety. Not one piece of red tape in sight!

This unique initiative helps businesses cut the road toll.

The program provides a platform for organisations of all sizes and sectors to share proven ways to improve road safety in the workplace.

This type of initiative is important, because work-related road crashes account for almost half of all occupational related fatalities in Australia and 15 per cent of the national road toll.

The program was led by a steering committee made up of senior representatives from a diverse range of organisations such as BHP Billiton, Coca-Cola Amatil, Rio Tinto, Telstra, Shell, Toll Group, Volkswagen, Wesfarmers Insurance, Zurich, Holden and Origin Energy.

Members of the program have developed several case studies that illustrate the safety, productivity and environmental gains they have achieved with the evidence others need to implement similar improvements.

These case studies illustrate the impact that these sort of business safety initiatives can have on improving road safety.

For example, Blue Care, a community nursing service with a fleet of 2130 cars, has found that making road safety a central focus of fleet management has delivered significant safety and productivity benefits.

By introducing a staff road safety education program, Blue Care reported a 10% drop in staff at-fault crashes and failure to give way accidents decreased 35% over three years.

As a result, the company's insurance premiums decreased by 3%, showing that gains in safety can also result in financial savings.

There are also other examples of voluntary programs such as the National Logistics Safety Code, set up by the Australian Logistics Council to promote safe operations in the logistics sector.

Another way to influence policy and regulatory outcomes is through publishing information that may influence government decision making, community behaviour, or can be used to inform development of policy.

As an example, each year the NTC publishes a report detailing information received from the Federal Chamber of Automotive Industries on carbon emissions from new light Australian vehicles.

The NTC has been reporting on the carbon dioxide emissions of new cars and light commercial vehicles since 2009.

These information papers provide a transparent benchmark for how Australia's vehicle emissions are tracking.

We believe by analysing and publishing this information we can increase transparency and stimulate discussion about ways of lowering carbon emissions to improve environmental outcomes of transport.

Good data is important to allow for evidence-based decision making. It helps us to understand the problem we are trying to fix.

Reducing red tape through a national approach

When talking about reducing red tape, a lot of unnecessary cost and inefficiency comes through duplication of forms, policies and processes for industry because of different approaches in each state and territory.

This was particularly the case in the transport sector.

The ALC have described the impact on the transport industry in the terms you see on this slide:

'Industry's commitment to achieving maximum freight efficiency is undermined by an inconsistent regulatory framework, red tape and a disconnected and incompatible supply chain.'

This sort of commentary has been evident for a number of decades.

Some of you may be familiar with the NTC's work to develop nationally consistent laws and regulations through reforms such as the National Heavy Vehicle Law and National Rail Safety Law.

Until 2013, we had 28 regulators in the rail, road and maritime transport space, 8 state and territory laws and significant number of 'model' laws.

These national reforms were designed to reduce red tape by minimising inconsistencies in the laws between states and territories for the transport industry. The establishment of the National Heavy Vehicle Regulator and Office of the National Rail Safety Regulator are expected to save Australia $12 billion and $71 million respectively over 20 years.

Where possible, it is ideal to have an agreed national set of policy settings or principles in place early to avoid inconsistency or discrepancies between jurisdictions. This is what we are currently trying to achieve when developing a policy framework to support the introduction of in-vehicle telematics to the transport industry.

In-vehicle telematics includes applications to monitor speed, location, travel times, load, mass and vehicle conditions. There are also applications that monitor fatigue.

A specific example of an in-vehicle telematics device is an Electronic Work Diary or EWD, an electronic recording system that can record work and rest times for heavy vehicle drivers, as an alternative to the paper-based diary. EWDs will eliminate the need to fill in a paper work diary, saving both drivers and operators a lot of time and red tape.

EWDs and other telematics devices are already in use for business purposes to improve efficiencies, but are not yet recognised in the law for compliance purposes.

The NTC has been working closely with stakeholders to address this and develop a nationally consistent set of policy principles and agreed 'data set'.

Establishing an agreed 'data set' is crucial for industry to know what type of data from these devices will be acceptable for compliance and enforcement purposes.

In other words, will enforcement officers accept the data the Electronic Work Diary is collecting as evidence of work and rest hours? This is important for manufacturers, and potential users, of this technology to know before they invest.

If operators have to buy a different type of EWD for each state they operate in because they have different data specifications in their laws, they are not going to bother.

Similarly, national policy principles are important because a transport operator operating in multiple states does not want to have to deal with a different approach to how EWDs can be used depending on the state he or she is in.

This work will go a long way to avoiding the creation of unnecessary red tape and ensuring that we can encourage the voluntary take up of in-vehicle telematics to improve safety outcomes.

How you develop new policy settings and legislation is just as important as what you develop.

In 2011, the Institute of Public Administration Australia's paper, *The Future Course of Modern Government*, concluded that, if governments want to make a difference in complex policy, they need to embrace collaborative networks and partnerships to drive change.

The NTC takes stakeholder consultation very seriously in development of our reforms, and we are always looking to ways to improve consultation processes.

This is because we believe that 'how' you undertake reform is just as important as what reform you undertake.

Developing new policy settings and associated legislation/ regulation in a 'policy bubble' without a comprehensive

understanding of the perspective of those affected and the potential impacts can result in inefficient and non-effective regulations that do not achieve the stated intent.

Use of workshops to 'co-design' desired outcomes or recommendations is a powerful tool to developing effective policy outcomes.

This approach can result in a high degree of transparency, a better understanding of stakeholders' needs, and a common ownership of outcomes.

Early stakeholder involvement is essential to achieve buy-in and trust. Although you can never please everybody, and the NTC doesn't aim to do that, it helps identify major issues at a stage where this can be addressed, rather than wasting time writing a RIS that doesn't meet stakeholder needs.

It also allows us to tap into the expertise and experience of our industry and government stakeholders to help us develop the recommendations. We don't pretend to know everything!

Use of a co-design approach has resulted in the NTC receiving very positive feedback on the inclusiveness of the process from our industry and government stakeholders.

The importance of regular monitoring and review

Once laws and regulations are in place, it is essential to undertake regular review and monitoring to ensure they keep up with best practice and remain relevant.

This is another essential part of a successful policy and regulatory reform process.

The NTC has a large role in review and monitoring, with reviews of medical standards for road and rail transport, Australian Road Rules and the Australian Vehicle Standards Rules as recent examples.

Some other examples of national and model legislation that we manage, review and update are also displayed on the slide here.

Its part of our commitment to ensure that once a reform is approved, we don't just walk away - the NTC works together with our stakeholders to ensure that the reform delivers the productivity, safety and/or environmental benefits as intended.

An aspect of this is monitoring the implementation of agreed reforms by states and territories.

The *National Transport Reform Implementation Monitoring* report monitors and reports on the implementation progress of national reforms agreed by governments through the Council of Australian Governments or the Transport and Infrastructure Council.

Where information is available, the report notes reasons for any delays and any barriers to implementation.

The report provides ministers with an independent assessment of the implementation progress of national transport reforms, and advises possible corrective actions or interventions to bring governments back on track.

It also analyses whether jurisdictional variations have reduced the benefits of the particular reform.

The NTC published this implementation status report on national reforms for the first time in 2013. It is intended that the report will be updated and published annually.

The status report will improve transparency and accountability for delivering national reform and allow businesses and the community to better understand the progress of these reforms.

Future directions for NTC

As well as our current projects, at NTC we have been working with stakeholders to identify a long term pipeline of reforms to address the productivity, safety and environmental challenges of the transport industry.

In one proposed project, the NTC is planning to investigate how to better understand the costs of compliance for the land transport industry. Our aim is to discover where exactly the transport industry spends the most money on

compliance through conducting industry surveys and other research into compliance costs.

Every potential reform proposal we consider is analysed in terms of costs and benefits.

Having this cost of compliance information will help us to better understand the impact of proposed regulation and how to develop the right regulation to get the outcomes we need without imposing unnecessary and costly red tape.

Another future project will report, benchmark and analyse 'who moves what freight where' in Australia.

Although we currently have forecasts of the freight task created by the Bureau of Infrastructure and Transport Economics and others, this detailed information about the types of freight, moved by whom and to where, is currently missing and has been identified by our stakeholders as a high priority.

This will provide governments and industry with better data upon which we can base future planning, investment and access decisions, in addition to informing future policies and laws.

It's important to remember that not all laws and regulations are bad.

Good laws and regulations help us achieve better outcomes for Australia. Bad ones hold this country back.

Those which become 'unnecessary' usually have a few things in common.

They are usually those developed without careful consideration of the 'problem' the regulation is trying to address, in a 'policy bubble' with little effective consultation, and are not regularly monitored or reviewed to ensure they remain consistent with best practice.

At the NTC we will continue to strive to ensure that the reforms we propose are 'best practice' and developed in full consultation with stakeholders.

We weren't set up to create more red tape - we were set up to ensure governments can provide a platform for an efficient, safe and sustainable transport system. And that's what we will continue to work towards in partnership with our industry and government stakeholders.

Thanks for your time.

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