



Australian Government  
Infrastructure Australia

# **Submission to the review of the National Transport Commission and other bodies**

**July 2012**

## Contents

Submission to the review of the National Transport Commission and other bodies July 2012.....	1
Summary .....	3
Introduction .....	5
Transport challenges.....	5
Infrastructure Australia’s work .....	7
Some specific matters in the scoping paper .....	8
The organisations under review .....	10
Experience with national transport policy .....	11
Advisory process .....	12

## Summary

The Office of the National Infrastructure Coordinator welcomes the opportunity to make a submission to the 2012 review of the National Transport Commission and other bodies.

New national policy challenges for transport are arising from issues qualitatively different from those of the past. These require new concepts of reforms especially for roads.

Infrastructure Australia is undertaking work in a number of fields relevant to national transport reform. These include the national ports strategy and the national land freight strategy which are priority issues for the Standing Council on Transport and Infrastructure.

The land freight strategy argues for formal consideration of fundamental reform to road governance along the lines of the national competition policy –not simply more of the same type of regulatory reforms recently pursued. This could include differentiation of roads with an underlying economic or commercial purpose from other roads. Such consideration would provide an opportunity to align reform directions for roads with those successfully pursued in other infrastructure sectors including rail.

Some of the matters raised in the review's scoping paper – rail access, governance and previous reviews of the National Transport Commission – reinforce the need to develop road reform along the lines of reforms in other sectors.

Infrastructure Australia's work is to lead to a national transport plan. Road governance reform, including direct charging for the use of certain roads under economic regulatory supervision, would address another key transport issue - cost incidence arguments.

The review's terms of reference infer a concern about a potential overlap of advisory functions between the National Transport Commission, other nominated organisations and the new transport regulators. Any overlap could be addressed by the Standing Council's consideration of relevant work programs. Structural changes to reduce the scope of the Commission or the regulators would be premature.

The Standing Council on Transport and Infrastructure is the body with primary responsibility for national transport policy. The new mandate set by the Council of Australian Governments and the potential reforms needed in transport are much broader than operational regulatory reform.

The experience of the predecessor to the Standing Council – the Australian Transport Council - with a broad reform agenda suggests that the key risk is not an overlap of advisory roles, but that advisory work does not fully address the relevant issues. The key issue for this review is: what advisory structure would best serve the Standing Council in this task?

A Transport and Infrastructure Senior Officers Committee does assist the Council however:

- its members have a duty to represent their Governments;
- its reports are not routinely made public.

Recent major advances in the Standing Council's formal agenda originated from suggestions by organisations which do not represent any particular jurisdiction. Experience also suggests that important transport reforms best take root through a deep and wide debate engendered by public reports.

The Standing Council should have available a ready source of advice on the initiation, consideration and implementation of broad based transport reform independent of jurisdictions as a supplement to the Senior Officers Committee. One option worth considering is for the National Transport Commission to fulfil this role by shifting its focus away from operational regulatory reforms to the more substantive agenda.

The role of the Commission might include providing the Standing Council with streams of advice on at least:

- national consistency in regulation and operation across transport modes;
- a national level view of the current and likely future condition of Australia's roads, particularly local roads;
- implementation of the national transport plan;
- implementation of road governance reform.

This role would also complement those of Infrastructure Australia, the Productivity Commission and the Australian Competition and Consumer Commission.

In any event the ability of the Standing Council to cover issues would be improved by adopting greater openness for its advisory processes. A positive change in this regard is the decision of the Standing Council to invite industry representatives to attend meetings, and this could be expanded to advisory processes. The Australian Government's approach to developing national shipping policy might provide a model for this.

## Introduction

The Office of the National Infrastructure Coordinator welcomes the opportunity to make a submission to the 2012 review of the National Transport Commission and other bodies.

While the trigger for the current review is the advent of the national transport regulators and a new mandate for the Standing Council on Transport and Infrastructure, the scoping paper for the review raises the need to consider how best to deal with new challenges. These challenges arise from issues qualitatively different from those of the past, and require new thinking about and new concepts of reforms especially for roads.

This submission provides some background and comments on the following:

- transport challenges;
- Infrastructure Australia's work;
- some specific matters raised in the scoping paper;
- the organisations under review;
- progress with national transport policy;
- the advisory process.

## Transport challenges

Most reviews, reports and submissions regarding transport refer to the 'challenges' that distances and growth pose and provide evidence of emerging problems such as unreliability, isolation and congestion. These are not unique to, or new in, Australia.

Many statements of transport refer to matters such as: freight productivity; urban road congestion; social inclusion and access; safety; security; energy and climate futures. Growth and change is expected to increase the scale of these issues.

More recently, there has been discussion about challenges which are qualitatively different from Australia's historical experience and issues faced in other countries. One challenge is the implications of 'patchwork' growth on a range of infrastructure issues, in particular servicing the needs of growth in Australia's north and north-west while the most Australians population lives in the south and east. Another is whether Australia's largest cities will exceed the size where it is feasible to simply scale-up core legacy transport systems.<sup>1</sup>

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<sup>1</sup> For example: whether heavy rail should be supplemented by rapid transit or 'metro' rail in Sydney. See <http://haveyoursay.nsw.gov.au/article/sydneys-rail-future>

Institutional matters – the way society organises itself – are a key matter for addressing national challenges.<sup>2</sup> Reflecting the Federal structure, the Standing Council on Transport and Infrastructure has the central policy role in helping to create the best institutional settings for transport and infrastructure across Australia.

With prospective changes in Australia's economic and social circumstances, it will be important to have flexible and responsive transport and infrastructure systems.

At present, flexibility in transport is constrained by the reliance on Australia's Governments to play every role in road infrastructure governance. The ability of roads to respond to Australia's transport task depends on the willingness of Governments to collect taxes and provide funds to the 'right' roads.

Infrastructure Australia has pointed to a 'profound disconnect' between wishes for more infrastructure and willingness to face the necessary costs through either user charges or the tax system or user charges. This is most clear for roads.<sup>3</sup>

A recent report from infrastructure financing experts referred to the Commonwealth grants-based model for funding infrastructure as "giving 'gifts'" to the States. In a similar vein, State and local Government grants for infrastructure, for example new roads, are likely to be considered by local communities as gifts, ie. funded by others.<sup>4</sup> The ability to continue this practice in the future will be limited by growing calls on budgets for other purposes, for example health services.

Infrastructure Australia has received concerns about the condition of some existing transport infrastructure assets, notably local regional roads important for freight. If well founded, these show existing transport governance to be ineffective in at least these areas.

Concerns also have been expressed about the environment for investment in transport and infrastructure. Issues have been raised about approvals processes, project costs, disconnects along supply chain systems and lack of long term planning.<sup>5</sup>

The current national transport regulatory agenda is focussed on operational regulator reforms. While necessary and strongly supported by Infrastructure Australia, these will be insufficient to address these issues. Infrastructure Australia is not alone in calling for reform to extend beyond this type of regulation, not least to improve the environment for infrastructure investment including in national transport systems.<sup>6</sup>

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<sup>2</sup> Infrastructure Australia (2008) *A Report to the Council of Australian Governments*.

<sup>3</sup> Infrastructure Australia (2011) *Report to COAG Communicating the Imperative for Action*.

<sup>4</sup> Infrastructure Finance Working Group (2012) *Infrastructure Finance and Funding Reform*.

<sup>5</sup> See for example: Business Council of Australia (2012) *Pipeline or Pipedream Securing Australia's Investment Future*

<sup>6</sup> See for example: Australian Logistics Council (2011) *Draft response to national land freight discussion paper*.

Under current governance arrangements Australia's transport systems are unlikely to develop the flexibility needed to meet emerging transport challenges - growth in the east coast metropolises; development needs on the west coast; demographic change; energy and climate futures. Deeper reforms are needed.

### Infrastructure Australia's work

Infrastructure Australia's work relevant to national transport reform includes:

- national ports strategy;
- national land freight strategy;
- public transport; and
- infrastructure financing.

The national ports strategy and the national land freight strategy are priority issues for the Standing Council on Transport and Infrastructure.

The National Transport Commission and Infrastructure Australia collaborated to develop Australia's first national ports strategy in 2010-11. The essential theme of the strategy is the need for long term plans for port precincts, supply chains and jurisdictions. The strategy is being considered out of session by the Council of Australian Governments. In the interim, Infrastructure Australia and the National Transport Commission are working with a number of ports on their draft plans.<sup>7</sup>

The national land freight strategy is expected to be released shortly. Its themes are: a national network that links major ports and freight places to focus policy attention; introduction of market mechanisms for road use and investment; demonstration of Government commitment to deliver on-the-ground reforms by test cases of better use of infrastructure in a commercial framework.<sup>8</sup>

The strategy argues for formal consideration of fundamental reform to roads governance along the lines of the national competition policy. Such consideration would be similar to that given to governance in other infrastructure sectors in the 1990s, and which led to a reform journey of Australia's railways over the last two decades.

The proposed review of roads governance is to consider whether - for the purposes of freight - some roads should be treated more like the economic infrastructure in other sectors, such as rail, while other roads should continue to be treated as public goods.

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<sup>7</sup> A draft is available at Infrastructure Australia's website: Infrastructure Australia & National Transport Commission (2010) National Ports Strategy: *Infrastructure for an economically, socially, and environmentally sustainable future*.

<sup>8</sup> Infrastructure Australia (2012) *National Land Freight Strategy - Update June 2012* (forthcoming).

Part of the intention of identifying a national freight network is to provide a sharp focus for deeper and more rapid transport reform for Australia's most important freight systems. This depth extends further than the types of matters considered by the Standing Council and its predecessors to date, or the matters considered by the road reform plan. It is not simply doing more of the same.<sup>9</sup>

Public transport issues mirror those of urban car use. There are interactions between public transport, cars and freight systems, for example passenger rail lines are able to reduce car use and free up road space for freight vehicles. At present Infrastructure Australia is undertaking work to assess the potential to place public transport issues within the wider transport reform agenda.

Infrastructure financing, particularly from privately funded sources, will be a significant determinant of Australia's ability to extend and improve its transport infrastructure, at least in freight systems.

Taken together, this work on ports, freight, public transport and infrastructure financing will be an important step towards a national transport plan consistent with the national transport planning framework proposed by the National Transport Commission and accepted by the Ministerial Council in 2007-08.<sup>10</sup>

### Some specific matters in the scoping paper

The scoping paper for this review provides background on a number of matters including:

- rail access;
- governance; and
- previous reviews of the National Transport Commission.

Each is a significant matter for the transport reform agenda.

#### Rail access

The scoping paper states there is a:

*"national open **access** regime for rail (governed by Commonwealth Competition and Consumer Act provisions). A commercial agreement covering access issues such as timeframe and price is negotiated between the above rail operator and the infrastructure manager. Access regulation does not form part of the rail safety framework."*

This statement could be clarified in several respects. There is a general national access regime which applies to certain infrastructure facilities – rail lines and other infrastructure.

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<sup>9</sup>The road reform plan considered the high level feasibility of introducing direct charges for trucks on groups of roads in order to provide road owners with funds to maintain their roads eg. COAG Road Reform Plan (2011) *Evaluation of options* see at p19: "prices for the location based pricing models will be developed based on road types or classifications".

<sup>10</sup> See <http://www.ntc.gov.au/viewpage.aspx?AreaId=34&DocumentId=1750>



Under this national regime, a third party can seek a declaration of a right of access but only to essential facilities of national significance under some circumstances.<sup>11</sup> It is unlikely that all rail lines would be declarable and accessible under this regime

Since 1993 the direction of reform in rail (and the utility industries) has been to separate public safety regulation from (any) access regulation and to differentiate various rail lines on the basis of whether or not they are essential facilities of national significance. This approach has not been adopted for roads.<sup>12</sup>

The review of roads governance mentioned in the section on Infrastructure Australia's work (above) provides an opportunity to align reform directions for roads with those successfully pursued in other infrastructure sectors including rail.

## **Governance**

An established literature considers governance to concern how government policy settings influence the performance of industry. Basic precepts include:

- specification of objectives; measurement and reporting of progress towards those objectives; incentives to encourage progress towards those objectives; and
- instruments through which legal control or incentives is delivered; accounting, financial and reporting standards; ownership and organisational charters; contracts including for community services; regulation.<sup>13</sup>

In the Office's view the most necessary and urgent action for transport reform in Australia is to address road governance including matters relating to investment, planning and access at least for freight and a national network.

## **Previous reviews of the National Transport Commission**

The scoping paper notes reviews of the National Transport Commission in 2009 and 2003.

The 2009 review is characterised as recommending that the Commission focus on core responsibilities. This review noted that the effectiveness of regulatory reform was influenced by matters including absence of a national transport plan, and prioritisation of the Ministerial Council's tasks.<sup>14</sup>

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<sup>11</sup> See: <http://www.accc.gov.au/content/index.phtml/itemId/827939>; for example: the facility is of national significance, having regard to: (i) the size of the facility; or (ii) the importance of the facility to constitutional trade or commerce; or (iii) the importance of the facility to the national economy.

<sup>12</sup> As evidenced by the road reform plan's idea of rolling out the introduction heavy vehicle charging changes by fleet segment rather than road location. COAG Road Reform Plan (2011) *Evaluation of options*.

<sup>13</sup> External governance extends beyond regulation to include: market structure and concentration; the objectives and boundaries of firms; enterprise ownership and control; contractual frameworks and relations, including those used in subsidy policy; accounting standards, external reporting and financial flows; specification of community service obligations. See: Productivity Commission (2004) *Financial Performance of Government Trading Enterprises 1998-99 to 2002-03*.

<sup>14</sup> National Transport Commission Review Steering Committee (2009) *Review of the National Transport Commission: Report to the Australian Transport Council*, Chapter 8.

The 2009 review took the view that many tasks arising from the Ministerial Council should be undertaken by Government (Departments), however in saying so it drew attention to concerns about the lack of transparency of advisory processes. The comments imply these tasks had not been undertaken at that time, and that publicly available documents and material did not amount to a national transport plan.

The scoping paper also refers to the 2002-03 review which led to the creation of the National Transport Commission. That review noted the need for a national transport plan and argued for the extension of 'regulatory reform' to rail.<sup>15</sup>

The 2002-03 review argued that the Ministerial Council should be provided with ongoing independent advice on national transport issues, including on a national transport plan and on the infrastructure costs of regulatory reform.<sup>16</sup>

While Infrastructure Australia's work is to lead to a national transport plan, at present there is no independent adviser on the infrastructure costs of regulatory reform. Direct charging for road use with economic regulatory supervision would address cost incidence arguments, which highlights the importance of road governance reform.<sup>17</sup>

## The organisations under review

The organisations under review are:

- the National Transport Commission;
- Austroads, ARRB Ltd, Transport Certification Authority Ltd, Rail Industry Safety and Standards Board.

Of these organisations, only the National Transport Commission is a part of the machinery of Government - as adviser to the Standing Council on Transport and Infrastructure.<sup>18</sup>

An important reason for the Commission's current advisory function is the Standing Council's voting on some road regulatory matters. The voting arrangements for roads do not occur for other nationally significant infrastructure.

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<sup>15</sup> In part because roads and rail compete. Competition occurs in some, but not all places – where there is a rail line. Aspects were subsequently considered in: Productivity Commission (2006) *Road and Rail Freight Infrastructure Pricing*, although at a level above specific routes.

<sup>16</sup> It proposed that the advice would be independent of affected parties. Recommendation 17 in the report: *All recommendations by the National Transport Commission for regulatory reform which might involve significant infrastructure or other impacts should be referred to the National Transport Advisory Council for analysis and advice to the Australian Transport Council*. Affleck Consulting and Meyrick and Associates (2002) *Review of National Road Transport Commission Act 1991*. However, the Advisory Council was not established - a result similar to other proposals for a new independent body, except for the National Transport Secretariat.

<sup>17</sup> Productivity Commission (2006) *Road and Rail Freight Infrastructure Pricing*.

<sup>18</sup> The other organisations noted in the terms of reference for this review do not have a specific legislative mandate in relation to a Government or to the Standing Council. Austroads is an association formed by road agencies; Transport Certification Australia is a company limited by guarantee; ARRB Group Ltd is also a company; Rail Industry Safety and Standards Board is a company owned by a peak industry group – the Australasian Railways Association.

The Commission also undertakes tasks not subject to a vote of the Standing Council. These form the basis of a work program which is approved by the Council and is published.<sup>19</sup>

It is unclear why the other nominated organisations are considered to be part of the formal advisory structure for the Standing Council. These organisations evolved from the wishes of agencies and industry groups, rather than a need to serve the Ministerial Council. They have no formal reporting relationship to the Commission.

However, these organisations house skills and information that would be important to underpin development and implementation of a wider transport reform agenda including some of the priority issues for the Standing Council. If it is intended that these organisations support the future work of the Standing Council, they should be brought into more structured arrangements, for example by undertaking tasks for the National Transport Commission.

A similar approach could be adopted – to the extent necessary - for other organisations with similar functions supported by Government. These organisations include the Cooperative Research Centre for Rail Innovation; State Freight Councils; University centres.

## Experience with national transport policy

In recent years there has been considerable activity seeking to advance national transport policies in Australia. This includes: a national transport policy framework; national transport regulators; the Australian Government's shipping reform.

In early 2008 the Australian Transport Council agreed on a national approach to transport policy with an ambitious agenda to deal with then emerging issues. While attention was to be given to ten policy aspects, over time the Council's agenda progressively narrowed to focus only on operational regulatory reforms and the national regulators.<sup>20</sup>

Some initiatives under the national transport policy framework stalled when implemented 'in house'. An example was the 'incremental pricing trials' for road use by heavy vehicles. While the need for such trials was seen as important to the road reform plan, two separate reports demonstrate a failure to undertake any meaningful trials over several years.<sup>21</sup>

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<sup>19</sup> [www.ntc.gov.au/filemedia/Publications/NTCWorkProgram2012.pdf](http://www.ntc.gov.au/filemedia/Publications/NTCWorkProgram2012.pdf) - Cached

<sup>20</sup> With a working group of officials for each aspect (Communiqué February 2008): Economic Framework for Efficient Transportation Marketplace; Infrastructure Planning and Investment; Capacity Constraints and Supply Chain Performance; Urban Congestion; Climate Change, Environment and Energy; Safety and Security; Strategic Research and Technology; Workforce Planning and Skills; Social Inclusion; Governance. While later Communiqués refer to some work and results of these groups, reports prepared from all these working groups are not available at this website.

<sup>21</sup> See: Juturna Consulting (2011) *COAG Road Freight Incremental Pricing Trials, a report by Juturna Consulting*

Reporting on progress with the national transport policy framework was limited. The Office of the National Infrastructure Coordinator found it difficult at times to identify progress with the national framework and the thread of argument for policy propositions.<sup>22</sup>

The Council of Australian Governments Reform Council has drawn attention to progress on national transport reforms on a number of occasions. The Chairman of the Reform Council suggested there is a need to reassess the agenda in transport and infrastructure and highlighted the desirability of public reporting to enable stakeholders to follow progress.<sup>23</sup>

In comparison to the development of national transport policy the Australian Government's development of policies, for example its shipping reforms, has been more transparent and open to industry and community participation.

Turning to the national regulators, in August 2011 the Council of Australian Governments signed relevant intergovernmental agreements.

Recent progress with the national regulators can be seen at the relevant websites.<sup>24</sup> The rail and maritime regulators are reported to be on track. It is intended that legislation for the heavy vehicle regulator will be introduced to the relevant Parliament (Queensland) in the second half of 2012 although it has been reported that other jurisdictions, have pushed back the promised January 1 2013 start date.<sup>25</sup>

## Advisory process

The process of providing advice to the Standing Council on Transport and Infrastructure should be the central issue for this review.

The scoping paper suggests the underlying purpose of the present review to be:

*'(re)considering the roles of national adviser organisations in the transport sector'.*

Two reasons are offered for such (re)consideration:

1. establishment of national transport regulators;
2. a new mandate for the Standing Council on Transport and Infrastructure.

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<sup>22</sup> An example is the report on an efficient transportation marketplace. Infrastructure Australia's national land freight strategy discussion paper noted that an issues paper on this topic was published and that Ministers had considered a report in May 2009 which was provided to Australia's Future Tax System Review. However, the Office had not been able to find a public copy of the report. A second example concerns the Council Communiqué of November 2009 "*which set a national deadline in 2010 to finalise national urban transport performance indicators that can measure the efficiency, reliability, productivity and social and environmental performance of urban transport systems*". Subsequent Communiqués do not report progress on this.

<sup>23</sup> [http://www.coagreformcouncil.gov.au/media/speeches/speech\\_20100504\\_mcclintock.rtf](http://www.coagreformcouncil.gov.au/media/speeches/speech_20100504_mcclintock.rtf). COAG Reform Council (2011) *National Partnership Agreement to Deliver a Seamless National Economy: Report on Performance*

<sup>24</sup> <http://www.nrsrproject.sa.gov.au/news>; <http://www.infrastructure.gov.au/maritime/nmsr.aspx>; <http://nhvr.gov.au/>

<sup>25</sup> Australasian Transport News (ATN) July 3, 2012.

The review terms of reference infer a concern about a potential overlap of functions between the National Transport Commission, other nominated organisations and the new transport regulators. This issue relates to concerns about overlapping advisory functions.<sup>26</sup>

Whether or not there are such overlaps depends on the detailed work programs of the organisations. If the 'governance' diagrams in the review's scoping paper are accurate, any overlap could be addressed by the Standing Council's consideration of relevant work programs.<sup>27</sup> Structural changes to reduce the scope of the Commission or the regulators would be premature.

The new mandate set by the Council of Australian Governments extends the agenda of the Standing Council on Transport and Infrastructure, with 'regulatory reform' only one of six priority issues to be addressed.

Infrastructure Australia agrees that the national transport regulatory reforms previously pursued by the Standing Council, while necessary, will be insufficient to meet Australia's transport challenges.

Regulatory reform needs to extend beyond transport operations and safety, not least to improve the environment for infrastructure investment including in national transport systems.<sup>28</sup> There also is a strong case for a new national transport agenda to extend beyond regulatory reform, with roads governance as a central element. This is not merely a continuation of the previous work conducted by the Australian Transport Council.

The Standing Council is the body with primary responsibility for national transport policy. However, the current review should consider the experience of a narrowing the scope of reform considered by the body formerly responsible for national transport policy - the Australian Transport Council. That experience shows the key risk to be that advisory work does not fully address the relevant issues rather than that advisory roles overlap.

The Standing Council needs advice on the full mandate set by the Council of Australian Governments including on a national land freight strategy, of which road governance reform is a central element. The scope of advice for the Council will need to include identification of reform proposals; implementation of agreed reforms; progress with implementation.

The key issue for this review is: what advisory structure would best serve the Standing Council in this task? Consideration of this issue needs to bear in mind the central role of the Transport and Infrastructure Senior Officers Committee in the advisory structure.

One option worth considering is the Standing Council relying more on advice from independent organisations such as Infrastructure Australia, the Productivity Commission and Australian Competition and Consumers Commission even though these do not 'report' to the Standing Council.

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<sup>26</sup> The terms of reference suggest a view that the new national regulators should have formal advisory functions. There may be a debate about the merit of regulators undertaking policy advisory roles - OECD (2012) *Recommendation of the Council on regulatory Policy & Governance*.

<sup>27</sup> Diagrams 1 and 2 differ in 'reporting lines' and the Transport and Infrastructure Senior Officers Committee.

<sup>28</sup> See for example: Australian Logistics Council (2011) *Draft response to national land freight discussion paper*.

Another option would be to reorient the National Transport Commission away from operational regulatory reforms to the more substantive agenda.

Whether certain tasks should be undertaken by the Committee or by independent national advisory organisations such as the National Transport Commission depends on the nature of the advisory task and differences between the Committee and Commission etc.

The main differences between the Senior Officers Committee (and officials' sub-committees) and the national advisory organisations are:

- its members are not independent of the parties they advise. In forums they have a duty to represent their Governments;
- its reports are not routinely made public.

Recent major advances in the Standing Council's formal agenda originated from suggestions by organisations which do not represent the Commonwealth or any other particular jurisdiction: the road reform plan from the Productivity Commission; the national transport policy framework from the National Transport Commission; the national ports and land freight strategies and infrastructure investment reforms from Infrastructure Australia.

Experience also suggests that important transport reforms best take root through a deep and wide debate engendered by public reports from independent advisory organisations, with officials from Governments then initially steering rather than rowing.<sup>29</sup>

These experiences reflect the fact that the independent organisations have a duty to advise rather than represent Governments, even in intergovernmental or public forums.

There is a case for the Standing Council to have available a ready source of advice on the initiation, consideration and implementation of broad based transport reform independent of jurisdictions and officers, and which draws on stakeholder views through open dialogue.

As the National Transport Commission reports to the Standing Council, it is the logical candidate for this role.

The National Transport Commission's role might include an expanded scope with further streams of advice to the Standing Council on at least:

- national consistency in regulation and operation across transport modes;<sup>30</sup>
- a national level view of the current and likely future condition of Australia's roads, particularly local roads given that road condition is the sentinel indicator of the success or otherwise of road governance;<sup>31</sup>

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<sup>29</sup> Examples include the Victorian transport plan, the starting point of which was the *Investing in transport* report by Sir Rod Eddington (See: Victorian Government (2008) *The Victorian transport plan*) and the Competition Principles Agreement (1995) the origins of which were in the report of the *National Competition Review Committee* (Hilmer) 1992.

<sup>30</sup> Consistent with section 5.1e of the Act.

<sup>31</sup> Consistent with section 5.1j of the Act. Infrastructure Australia already has signalled its interest in a national roads portfolio manager which would need to see road condition indicators. Such a manager would have strong synergies with

- implementation of the national transport plan;
- implementation of road governance reform.

Such a role would complement those of Infrastructure Australia, the Productivity Commission and the Australian Competition and Consumer Commission.

While those organisations have identified broad parameters for the next wave of transport reform independently of the Standing Council, it would be timely for the Council to have a greater role in developing and implementing the national transport policy agenda by relying more on its own policy adviser.

In any event the ability of the Standing Council to cover issues would be improved by adopting greater openness for its advisory processes including: publication of work programs; regular public updates of progress with work conducted for the Standing Council; publication of advice and reports to the Council; participation of stakeholders in formulating advice to the Council. The Australian Government's approach to developing national shipping policy might provide a model for this.

A positive change in this regard is the decision of the Standing Council to invite key industry representatives to attend its formal meetings. This important initiative is widely welcomed by industry and has contributed to the types of improvement in working relations between industry and Government that will be necessary to deliver national reforms.

This type of conclusion has been criticised previously as putting at risk 'control of the agenda'. This concern may be more deeply felt in transport than elsewhere due to the unique governance of roads. However, ultimately, Governments decide about whether to accept or reject any advice they receive, and an advisory function does not affect this power.