



## **Australian Government**

Australian Government response to  
the Productivity Commission Inquiry Report:

National Transport Regulatory Reform

# Table of Contents

<b>Introduction</b>	<b>3</b>
Overview	3
Broader context to the report and the response	3
<b>Discussion</b>	<b>3</b>
Heavy Vehicle regulation and policy	3
Heavy Vehicle National Law review	3
Maritime regulation and policy	4
Rail regulation and policy	4
Harmonising the rail safety national law	5
National Rail Action Plan	5
Infrastructure Investment	5
Road Safety	6
National Freight and Supply Chain Strategy	6
Data	7
Australian Design Rules and Transport Technologies	7
<b>Implementing the recommendations</b>	<b>8</b>
<b>Appendix A – Recommendations and Australian Government Responses</b>	<b>9</b>

# Introduction

## Overview

The Australian Government acknowledges the work completed by the Productivity Commission through its inquiry report on National Transport Regulatory Reform.

The reforms examined by the Productivity Commission were agreed by the then Council of Australian Governments (COAG) in 2009 to establish national regulatory regimes for rail safety, domestic commercial vessel safety, and heavy vehicle safety and productivity. These changes were a vital step towards national alignment in our transport sectors.

COAG also established three national transport safety regulators, the National Heavy Vehicle Regulator (NHVR), the Office of the National Rail Safety Regulator (ONRSR) and the Australian Maritime Safety Authority (AMSA).

The Productivity Commission's inquiry into the progress of these reforms provides useful guidance for governments, regulators and industry seeking to work together to further promote safety and productivity. The report found the transition to national transport safety laws and regulators is almost complete, though with some unfinished business. The Australian Government is committed to working with state and territory governments to ensure Australia's transport laws are consistent and fit for purpose, including by examining the Productivity Commission's recommendations.

## Broader context to the report and the response

The Productivity Commission finalised the report before the effects of the COVID-19 pandemic in Australia were felt. While the pandemic did not change the regulatory settings or other underlying issues informing the report, the impacts of COVID-19 reaffirmed how important well-functioning freight and passenger transport systems are to the economy and community.

Australia's freight and logistics sectors have worked hard for more than twelve months to keep supermarkets stocked and the economy running. Behind the scenes, governments and industry worked cooperatively to solve a range of unusual problems so freight could continue to flow across all transport modes. This type of cooperation will be needed across all levels of government, regulators and transport industries to progress the Productivity Commission's recommended reforms.

In assessing the productivity and safety benefits achieved in transport markets through implementing the COAG reforms, the Productivity Commission's report also touches on a number of themes beyond the scope of safety regulation. These additional themes include infrastructure investment and management, new transport technologies, and improving the evidence base for regulatory decisions through data.

This Government response outlines relevant updates and actions against the report's main themes, including the three national regulatory regimes. Appendix A sets out the Government's specific response to each of the recommendations.

# Discussion

## Heavy Vehicle regulation and policy

The Australian Government shares responsibility for the regulation of the heavy vehicle industry with state and territory governments through the *Heavy Vehicle National Law* (HVNL), except Western Australia and the Northern Territory. The National Heavy Vehicle Regulator (NHVR), established in 2013 under the HVNL, regulates the heavy vehicle industry in all HVNL participating jurisdictions.

## Heavy Vehicle National Law review

In 2018, Infrastructure and Transport Ministers agreed to a back-to-basics review of the HVNL and supporting regulations. The National Transport Commission (NTC) is currently leading the HVNL Review to produce performance-based and outcomes-focused regulation. The NTC has undertaken an extensive consultation process and released a consultation Regulation Impact Statement (RIS) in June 2020.

Submissions to the consultation RIS will influence policy decisions to be presented to Ministers. The Productivity Commission's report identified a number of specific recommendations to improve the regulation of the heavy vehicle industry that are captured in the HVNL Review process and other regulatory work currently underway.

All aspects of the HVNL are being reviewed, including chain of responsibility obligations, fatigue management, and tiered regulation for appropriate areas. The HVNL Review is also addressing the highly prescriptive approach of the current legislation and improving heavy vehicle access to Australia's road infrastructure to support increased economic productivity and innovation.

Beyond the HVNL Review, Australian governments and the NHVR are taking steps to increase productivity in the heavy vehicle sector, including by improving heavy vehicle access to the road network. Measures enabling greater heavy vehicle access include the joint work to implement the Oversize Overmass Vehicle Access Arrangements Review and the NHVR's development of access notices to replace individual access permits. The Australian Government also provided the NHVR with \$8 million over two years to roll out the Strategic Local Government Asset Assessment Project, which helps local road managers assess the capacity of their road assets and enables better access decisions. In the 2021-22 Budget, the Australian Government has provided \$12 million for Phase 2 of the Strategic Local Government Asset Assessment Project.

## Maritime regulation and policy

The Australian Government is responsible for maritime safety policy and regulation for domestic commercial vessels. AMSA became the national regulator for domestic commercial vessel safety on 1 July 2013, with states and territories initially delivering this regulation. On 1 July 2018, AMSA assumed full responsibility for service delivery under the National System for Domestic Commercial Vessel Safety (national system), implementing a truly national and consistent approach to the delivery of maritime safety regulation across Australia.

The Government acknowledges the Productivity Commission's findings as they relate to maritime safety under the national system, and acknowledges similar maritime safety matters have also been considered in recent Senate Inquiries. The Government intends to pursue a suite of improvements to improve maritime safety, many of which are expected to be informed by an independent review of the *Marine Safety (Domestic Commercial Vessel) National Law Act 2012*. The Government has also committed to review all costs and charges under the national system, including wide public consultation.

The Government supports in principle considering removal of some grandfathered regulations under the National Law. While grandfathering of a standard may not inherently make a vessel unsafe, this risk may also change over time, and re-examination of grandfathered arrangements from time to time is appropriate.

The Government supports AMSA, in consultation with the Department of Infrastructure, Transport, Regional Development and Communications, taking a risk-based approach to investigating specific aspects of grandfathered arrangements, informed by the best available data and evidence, to consider whether these arrangements remain fit-for-purpose.

Subject to examining the data and risks, it may be appropriate to only change specific aspects of grandfathered arrangements for domestic commercial vessels, rather than implement a blanket removal of all grandfathering arrangements. Engaging with industry will be critical to ensure any potential changes are justified by safety improvements and would not impose unreasonably sudden or significant costs or regulatory burden.

The Government further notes there is no appetite from states and territories to return hire and drive vessel regulation.

## Rail regulation and policy

The Australian Government's commitment to the once-in-a-generation Inland Rail project between Melbourne and Brisbane will complete the 'spine' of the national freight network. A key part of the Government's \$110 billion, 10-year infrastructure pipeline, the completed Inland Rail will deliver sizeable improvements to rail's competitiveness across the eastern seaboard.

The Government is also facilitating projects that maximise linkages between freight modes, including the Moorebank Intermodal Terminal in Western Sydney; the Port Rail Shuttle Network initiative in Melbourne; and working with the states to deliver business cases for supporting infrastructure such as the proposed Brisbane and Melbourne Intermodal Terminals.

The Government's Inland Rail Interface Improvement Program offers opportunities to study the benefits and costs of ideas that have the potential to boost the benefits of Inland Rail to communities and industries along the corridor.

Network improvements are also being made by the Australian Rail Track Corporation, including through the implementation of the Advanced Train Management System (ATMS). The system is now in operation between Port Augusta and Whyalla, South Australia. Work is underway to deploy ATMS across the broader interstate network, with initial works already underway on the Port Augusta to Kalgoorlie section.

## Harmonising the rail safety national law

The Australian Government supports harmonisation of rail regulation and operations wherever possible to support safe, streamlined and efficient transport across networks and borders. All jurisdictions have now adopted (or mirrored) the *Rail Safety National Law (South Australia) Act 2012 (RSNL)*, and the transfer of full regulatory oversight to ONRSR was completed in December 2019. The Government welcomes the Productivity Commission's advice that the rail sector is highly advanced in a number of areas in respect of risk based regulation, safety management systems, and cost recovery from industry.

Derogations from the RSNL can inhibit national consistency, efficiency and efforts to reduce regulatory burden. Industry and ONRSR have highlighted that the most material inconsistencies from a safety and efficiency perspective are:

- variations that arise from Western Australia's use of mirror law; and
- derogations in fatigue management applicable in New South Wales and Queensland, and drug and alcohol management in New South Wales.

The Productivity Commission's report found that since the introduction of the RSNL in Western Australia there have been over 30 amendments to the National Law that have not been adopted in the state through mirror law. These include the introduction of the major project fee, changes to reporting requirements impacting drug and alcohol testing, and confidentiality and freedom of information provisions.

The report also found the prescriptive requirements applied in New South Wales and Queensland to fatigue management and drug and alcohol management are at odds with the risk-based regulatory approach established by the RSNL and used by ONRSR. The Australian Government notes the reviews undertaken by ONRSR in the past on these issues.

The Australian Government considers these derogations should be reviewed regularly, with an assessment of the safety and efficiency benefits, as well as the regulatory and cost implications for industry. Progress on harmonising these arrangements will rely on the support of relevant state and territory governments.

## National Rail Action Plan

The National Rail Action Plan (NRAP), agreed by Infrastructure and Transport Ministers in November 2019, seeks a collaborative approach between government and industry to identify opportunities to improve the efficiency and safety of Australia's rail system by continuing to align or harmonise standards and systems in infrastructure, rolling stock, control and communication systems; and meet the rail sector's critical skills and labour needs.

Led by the National Transport Commission, progress under the NRAP is supported by three working groups, chaired by a partnership of government and industry (including the Australasian Railway Association, the Rail Industry Safety and Standards Board, and the Australian Rail Track Corporation); with participants across nearly all jurisdictions and ONRSR.

In November 2020, Transport and Infrastructure Ministers considered the first NRAP implementation report. Work to date has highlighted the benefits of investment in new technology and has identified key interfaces in the national network, as well as critical and emerging skills needs in the rail sector. Ministers also agreed to the next stage of work, which includes developing common standards and operating rules, strengthening links between industry and centres of excellence, and providing targeted career options. A further report is due in mid-2021 and will be considered by all governments.

## Infrastructure Investment

The Australian Government is committed to delivering the infrastructure needed to ensure Australians get home sooner and safer, meet our national freight challenge and drive long term productivity. Through the rolling 10-year Infrastructure Investment Program, the Australian Government can invest in the road, rail and intermodal projects that are eligible under the National Land Transport Act 2014.

Projects are considered based on their merits. As part of the Government's decision making process there are various considerations that inform its investment in land transport infrastructure. Consideration focuses on addressing critical transport network deficiencies that currently constrain commuter and freight movements, across both urban and regional Australia, as well as improving safety and productivity outcomes. A recent focus has also been on identifying shovel ready projects that can support the economy at a time when the world is facing extraordinary economic challenges.

Various sources of data and advice inform the Government's project selection, including the current performance of Australia's transport network, and advice from Infrastructure Australia (the independent national infrastructure advisory

body). The Government also actively engages with state, territory and local governments and the private sector to scope and develop pipeline projects.

## Road Safety

The Australian Government has a guiding and influencing role in road safety and established the Office of Road Safety in July 2019 with the aim of improving coordination and leadership across all levels of government.

While many of the levers for road safety are controlled by state and territory governments, the Australian Government is responsible for leading the development of the National Road Safety Strategy and supporting its implementation. The Government also funds infrastructure investment aimed at delivering road safety outcomes, and regulates the first imports of vehicles into the country.

The draft National Road Safety Strategy 2021-30 is expected to be endorsed and released by transport ministers in 2021.

The Government also funds a number of road safety programs as part of its commitment to reducing the number of deaths and serious injuries on our roads. In the 2020-21 Budget the Government announced a \$2 billion Road Safety Program to support the fast roll out of lifesaving road safety treatments of rural and regional roads, and greater protection for vulnerable road users (like cyclists and pedestrians) in urban areas. This builds on the \$500 million targeted road safety upgrades provided as part of the infrastructure stimulus package in June 2020. In the 2021-22 Budget, the Government announced a further \$1 billion for the Road Safety Program to deliver two additional tranches until June 2023.

The Government's \$12 million Road Safety Innovation Fund supports road safety research and the development of new, innovative road safety technologies and products. Projects range from protecting vulnerable users including pedestrians, cyclists and children, through to crash prediction models, improving night visibility of signs, boosting heavy vehicle safety by trialling automated inspection capabilities and driver decline sensitivity testing.

The \$4 million Awareness and Enablers Fund is designed to contribute to the reduction of road trauma in Australia by increasing awareness, education and collaboration in the Australian community. Projects include Sharing Roads Safely – Vulnerable Road User Awareness Training delivered by the Amy Gillet Foundation that aims to increase safe interactions between heavy vehicle drivers and vulnerable road users including pedestrians, cyclists and motorcyclists.

## National Freight and Supply Chain Strategy

The National Freight and Supply Chain Strategy (NFSCS) provides a strong framework to lift freight system performance across all networks and modes. Agreed with industry in 2019, the 20 year strategy commits to all Australian governments to action.

Drawing together all modes of freight transport, it positions Australia to meet challenges across four critical action areas: smarter and targeted investment; enable improved supply chain efficiency; better planning, coordination and regulation; and better freight location and performance data.

The first annual report under the NFSCS was released in November 2020, featuring progress updates against over 350 initiatives across the country. Projects currently underway include:

- The National Freight Data Hub, to improve national freight data;
- International Supply Chain Benchmarking, helping to evaluate Australian supply chain performance across all modes of transport; and
- National Urban Freight Planning Principles – using a principles-based approach to integrating freight into land use planning systems.

The Government is supporting delivery of these initiatives through the 2021-22 Budget, announcing:

- \$16.5 to establish the National Freight Data Hub to enhance the collection and access to freight data across all modes to:
  - Support day to day operations
  - Improve infrastructure and transport network investment and other decisions
  - Enable end-to-end performance evaluation for Australia's freight system; and

- \$12.1 million to support delivery of the National Urban Freight Planning Principles through Phase 2 of the National Heavy Vehicle Regulator’s Strategic Local Government Asset Assessment Project.

## Data

Public sector data helps inform policy and programs, government services and research for the benefit of all Australians. The Government is seeking to help Australians and businesses unlock the value of data by improving the way it is shared and released, and by ensuring regulatory frameworks do not create unnecessary barriers to data use.

When sharing data, Government agencies must consider the appropriate safeguards to protect any sensitive information, including by applying the five Data Sharing Principles developed by the Office of the National Data Commissioner.

Where risks can be appropriately managed, public sector data should be shared between government agencies and the public, with the controls in place to protect privacy and commercially sensitive information.

The Government is actively involved in projects aimed at better sharing and utilising public and private sector data, including developing a number of national data hubs to better utilise, share and integrate:

- Freight data
- Aviation safety data
- Regional data
- Road safety data

In the 2019-20 Budget the Government provided \$8.5 million to improve national freight data, including \$5.2 million to settle the design of a National Freight Data Hub. Through extensive industry and stakeholder consultation, the aim of the National Freight Data Hub has been identified to design a facility that enables better access to freight data to help businesses, governments and researchers derive insights, make data-driven decisions, and solve business challenges.

The National Freight Data Hub’s design takes a phased approach to enhancing the data exchange capabilities throughout the freight supply chain, initially focusing on highly valuable and feasible use cases, including for planning and regulatory purposes.

In the 2021-22 Budget, the Government committed \$16.5 million over four years to establish the National Freight Data Hub.

As part of the new National Road Safety Strategy, the Government is also investing \$5.5 million over four years to establish a National Road Safety Data Hub to provide transparent monitoring and evaluation of road safety policies and investments. This investment will establish the first nationally available road safety data collection to assess the effectiveness of road safety efforts, putting Australia on a path to achieve zero fatalities and serious injuries by 2050.

State and territory governments have also agreed through the new National Partnership Agreement on Land Transport Infrastructure Projects to have a greater focus on data sharing between jurisdictions of project data including on road safety. State and territory governments are also required to report key data to the Government as a condition of receiving funding through the \$3 billion Road Safety Program.

## Australian Design Rules and Transport Technologies

The Australian Government supports the introduction of new technologies that improve the safety, efficiency and effectiveness of our transport system. This is being done by removing barriers to entry for new technology where appropriate, and ensuring regulatory controls effectively minimise any risks associated with new technology without disproportionately diminishing the benefits. Through the Australian Design Rule (ADR) framework, the Government is responsible for ensuring vehicles are safe to use when they are first supplied to the Australian market.

Australian governments are readying Australia for the commercial deployment of new transport technologies, such as automated vehicles. The *National Policy Framework for Land Transport Technology* and associated *Action Plan 2020-23* sets out a policy approach to fostering technology development and adoption to improve transport safety, efficiency, sustainability and accessibility.

The Action Plan outlines priorities against the following key themes identified in the Policy Framework:

1. safety, security and privacy



2. digital and physical infrastructure
3. data
4. standards and interoperability
5. disruption and change.

Work is underway on a draft ADR which will apply to automated vehicles. This ADR90/01 gives effect to the set of Statement of Compliance criteria established through the NTC led process for a national safety framework for automated vehicles.

A key consideration is the interface between the regulatory arrangements for automated vehicles when they are first supplied to the Australian market and when they are used on Australian roads. In developing ADR 90/01, the Australian Government is taking into account how it will interface with laws to ensure that automated vehicles are safe when used on the road. The Government is aligning the draft ADR with international standards, including via participation in United Nations traffic safety and vehicle regulations forums. Australia will continue to harmonise with international vehicle standards as they are developed, including for vehicles with automated features.

In June 2020, Australian Infrastructure and Transport Ministers agreed to work towards establishing a national approach to regulating automated vehicles when used on Australian roads (“in-service”). The approach will include a national regulator and a national automated vehicle safety law, supported by a general safety duty. The NTC, in partnership with Australian governments, is developing the implementation approach and mechanism. A report is due back to Infrastructure and Transport Ministers in 2021.

## Implementing the recommendations

The original national transport reforms were agreed by COAG following complex negotiations between Australian governments, reflecting the division of responsibilities across the federal, state and territory levels of government.

Similarly, implementing many of the Productivity Commission’s recommendations will involve negotiations and ongoing collaboration between the Australian and state and territory Governments. Much of the implementation will be achieved by progressing joint initiatives that are already underway, such as the National Heavy Vehicle Law Review, the National Rail Action Plan, and data projects such as the National Freight and Road Safety Data Hubs.

Consultations with industry, regulators and governments to inform this Government response highlighted a number of reforms that, while strictly outside the scope of the Productivity Commission’s report, could deliver substantial safety, efficiency and productivity benefits for national transport markets. This response focuses on addressing the Productivity Commission’s findings on the progress of national transport safety regimes and the three national regulators, rather than on broader systemic challenges.

Australian governments are actively seeking to progress such ideas to support the country’s economic recovery. The recently established National Cabinet Reform Council on Transport and Infrastructure will be the key forum for governments to accelerate the gains of existing reform processes and agree a new program of reform.

### ***Regulator performance***

Even well-designed regulation can be undone by poor implementation or culture. The Government recognises that successful implementation of national transport reforms will require a focus not just on the content of the regulations but on ‘how’ the regulators operate.

As part of its revitalised Deregulation Agenda, the Government is focused on lifting regulator performance, capability and culture. A function in the Department of the Prime Minister and Cabinet (PM&C) has been established to work across Commonwealth agencies to increase accountability, promote best practice, build the professionalism of regulators and support cultural change.

Through this work, Ministers are being supported to issue or review Statements of Expectations for regulators to set out the Government’s priorities and policies relevant to the regulator.



## Appendix A – Recommendations and Australian Government Responses

### 4.2 – Transfer Regulatory Powers to the National Regulators

*The Transport and Infrastructure Council should agree to transfer all regulatory functions still held by participating jurisdictions to the National Heavy Vehicle Regulator by 2022. To ensure consistent application of the national laws, the National Heavy Vehicle Regulator and Australian Maritime Safety Authority should phase out service-level agreements with State and Territory agencies. However, where there is a business case for the national regulators to retain service-level agreements with third parties, those parties should act under the direction of the national regulators to ensure consistent decisions across jurisdictions.*

The Australian Government **supports this recommendation**, recognising the importance of national integration and joint efforts across governments to reduce the number of derogations across the heavy vehicle, rail and maritime laws. While consistent application of national laws is important, in some cases there will be a justification for service level agreements remaining, provided they are reviewed periodically. The Government notes the Heavy Vehicle National Law (HVNL) participating jurisdictions are working closely with the NHVR to progress the transition of service delivery to the regulator. Services have been transitioned in South Australia, Tasmania, the Australian Capital Territory and Victoria, with the transitions in Queensland and New South Wales progressing.

At the time the Productivity Commission's report was handed down, all service level agreements AMSA had in place had expired. AMSA is currently re-establishing one service level agreement with a reduced scope. AMSA will continue to use service level agreements only where there is a strong supporting business case.

ONRSR now holds responsibility at the national level for all rail regulatory functions, following the transfer of regulatory functions by Victoria in December 2019. The Productivity Commission highlighted however that a small number of (nevertheless significant) derogations to the Rail Safety National Law (RSNL) remain that continue to give rise to differences across the national network.

Separately, the Government notes rail industry participants in the Productivity Commission's inquiry suggested ONRSR should have a productivity remit added to its existing safety functions, so the regulator could contribute to improving rail productivity. The Government recognises Australian rail industry is focused on improving rail's productivity. The Government is supporting rail productivity through the major infrastructure investments outlined above, and work with state and territory governments on rail and freight system performance, including through the National Rail Action Plan (NRAP).

The Productivity Commission's final report concluded ONRSR's responsibilities should not be extended to include productivity beyond its existing obligation to minimise the compliance burden. The report found responsibility for rail productivity is already allocated to a number of national, state and industry bodies, many of which are identified in the NRAP as responsible for the plan's priority areas. The Productivity Commission concluded these current arrangements were appropriate.

## 5.2 – Governance of ONRSR

*The Transport and Infrastructure Council should endorse amendments to the Rail Safety National Law Act 2012 (South Australia) to specify that the Office of the National Rail Safety Regulator be changed to an Advisory Board consisting of:*

- up to 5 non-executive members, including members with experience in rail transport, risk management, financial management and business administration, one of whom would be chair*
- the National Rail Safety Regulator.*

The Australian Government **notes this recommendation** – and considers that there is currently insufficient information to establish a case for changing the ONRSR's governance arrangements. The Productivity Commission's report found overall the national rail regulatory regime was being delivered well by ONRSR. Based on consultations with state and territory governments and the rail industry, the Government also did not identify any specific problems resulting from the current ONRSR governance model. Jurisdictions have indicated broad support for the current function and oversight arrangements at ONRSR.

While acknowledging the comparisons with NHVR and AMSA raised by the Productivity Commission, the Government also notes the different mandates of these organisations. ONRSR's view is that its existing governance structure provides the skills and experience required across risk management, financial management and rail transport to effectively deliver its obligations under the RSNL.

While ONRSR's governance model differs from a standard board, its current governance is linked to non-regulatory oversight functions. The sole responsibility for regulatory decisions under the RSNL is held by the Regulator, a structure which was adopted to support clear accountability for safety outcomes.

The Government will further consider this matter if further information becomes available.

## 10.2 – Funding for National Regulators Should Follow Existing Guidelines

*The national regulators should move towards cost recovery arrangements in line with the Australian Government's Cost Recovery Guidelines. Consistent arrangements across the three transport regulators will reduce the risk of distorting intermodal choices.*

The Australian Government **supports this recommendation in principle**.

The Government has committed to review all costs and charges related to AMSA's regulator function under the National System for Domestic Commercial Vessel Safety (national system). The review is expected to commence in mid-2021. It will consider the appropriateness of charges for the national system, informed by data and public consultation, and with due consideration of the Australian Government Charging Framework and Cost Recovery Guidelines.\* The outcomes of the review are expected to inform the Government's consideration of future funding and charging arrangements for the national system.

The Government notes AMSA already publishes information for stakeholders about its regulatory charges as part of its Cost Recovery Implementation Statement (CRIS), available on AMSA's website. The CRIS sets out information about AMSA's approach to cost recovery across its broad range of functions, including for domestic commercial vessel safety regulation. Intermodal choice considerations may not relate to many domestic commercial vessels, such as those engaged in marine tourism, fishing, and hire and drive operations.

The approach to charging arrangements for the NHVR and ONRSR, as organisations established under state-based legislation, will require further engagement with jurisdictions, including on any changes that might be needed to achieve consistency at a principles level with the Charging Framework. The NHVR supports cost recovery as a

general principle but considers in some circumstances it will not be practical in achieving improved safety and productivity outcomes. As the Productivity Commission noted, ONRSR has a clear phased transition path toward industry cost recovery with remaining government contributions to its operations programmed to reduce over time.

The Australian Government notes ONRSR has developed a new national cost recovery model, based on principles agreed by infrastructure and transport ministers which was recently open to industry consultation. Infrastructure and transport ministers will further consider ONRSR's cost recovery model in 2021.

*\*The Charging Framework is a policy of the Government under the Public Governance, Performance and Accountability Act 2013. It covers activities where the government charges the non-government sector for a specific government activity such as regulation, goods, services or access to resources.*

## 6.1 – Education and Enforcement to Improve Road Safety

*State and Territory Governments should introduce new programs or continue with existing programs of education and enforcement to improve road users' understanding of driving safely around heavy vehicles.*

The Australian Government **supports this recommendation** noting it is a matter for state and territory governments. As detailed above, the Australian Government plays a strong role in road safety, working closely with state and territory governments across a number of campaigns and programs.

The Government also coordinates the development of the National Road Safety Strategy and supports its implementation. As noted above the draft Strategy for 2021-30 has been open to public consultation and will be further considered by Ministers in 2021.

The NHVR also provides a national approach to heavy vehicle education campaigns, including through its successful *Share the Road Safely* campaign.

## 6.2 – Clarifying Heavy Vehicle Chain of Responsibility Obligations

*The Council of Australian Governments should endorse amendments to the Heavy Vehicle National Law to clarify the obligations of regulated parties under Chain of Responsibility laws. The amendments to the Heavy Vehicle National Law should empower the National Heavy Vehicle Regulator to:*

- publish 'acceptable means of compliance' with Chain of Responsibility laws for transport operators and other parties in the supply chain*
- accredit other approaches to compliance, with the costs of accreditation to be borne by the regulated parties.*

The Australian Government **supports this recommendation in principle** and notes that the review of the Heavy Vehicle National Law (HVNL) currently underway through the NTC will examine this issue. Providing additional guidance material to operators and parties within the chain will help clarify obligations and ultimately improve safety. The additional guidance material could be provided through standards and codes of practice, developed by the NHVR, which will ensure the content can be easily updated and remain relevant.

### 8.3 – General Safety Duties for Autonomous Vehicles

*The Australian Government should impose a general safety duty on all parties with a significant influence over the safe operation of autonomous transport technologies. The creation of a general safety duty should not preclude the use of prescriptive rules where the assessed risks are high.*

The Australian Government **supports this recommendation** and notes that progress is being made towards a general safety duty.

In June 2020, Australian Infrastructure and Transport Ministers agreed to work towards establishing a national approach to regulating automated vehicles when used on Australian roads. The approach will include a national regulator and a national automated vehicle safety law, supported by a general safety duty. The National Transport Commission, in partnership with Australian governments, is developing the implementation approach and mechanism. A report is due back to Infrastructure and Transport Ministers in 2021.

### 9.1 – Remove Detail from the HVNL

*The HVNL should be amended to remove unnecessarily prescriptive elements from the legislation and to support greater use of ‘deemed to comply’ provisions in other regulatory instruments. In order to give effect to this recommendation, legislative change would be required from all governments that are signatory to the HVNL. This process should be led by the Australian Government through the Transport and Infrastructure Council. These provisions would operate alongside recommendation 10.1.*

The Australian Government **supports this recommendation**, noting it is a primary aim of the HVNL review currently underway, and is strongly supported by industry. Ensuring a responsive regulatory structure will require reform to the HVNL to separate out an overarching principle-based approach from the operational aspects of the current framework.

### 10.1 – Allow for Tiered Regulation in the HVNL

*The HVNL should be amended to provide the NHVR with sufficient powers to give effect to a tiered system, in which relatively prescriptive regulation operates alongside outcomes-based options. The amendments should establish clear roles and responsibilities for the NHVR, including adequate discretion, decision-making frameworks, and requirements for monitoring, compliance and enforcement activity.*

*The system would need to reflect the varied preferences and capabilities of businesses [...] The NHVR should expand its use of assurance model/s to allow business to seek flexibility [...]. The design should recognise that some businesses will be able to design comprehensive safety management systems, while others will benefit from pre-approved ‘off the shelf’ solutions. To the extent possible, the assurance model/s should avoid subjective businesses to duplicative audit processes.*

*In order to give effect to this recommendation, legislative change would be required from all governments that are signatory to the HVNL. This process should be led by the Australian Government through the Transport and Infrastructure Council. The NHVR’s expanded capabilities would also require adequate resourcing. ...*

The Australian Government **supports this recommendation in principle** and notes the HVNL review will examine this issue. It is important a multi-tier framework encourages investment in improved safety practices and provides a clear pathway for progression by small, medium and larger operators.

## 9.2 – National Regulators Should Take A Risk-Based Approach

*The Australian Government should work with the Transport and Infrastructure Council to develop a statement of expectations for the National Heavy Vehicle Regulator (NHVR) and the Australian Maritime Safety Authority (AMSA). The statement should direct the national transport safety regulators to take a risk-based approach to regulation, enforcement and other functions.*

The Australian Government **supports this recommendation in principle**.

The NHVR has a Statement of Expectations reflecting the organisation's risk-based approach to the delivery of regulatory functions and services. The Statement was approved by the Infrastructure and Transport Ministers' Meeting in November 2020 and covers the period 2021-22. This Statement will be refreshed at the conclusion of this period.

AMSA's Statement of Regulatory Approach already indicates its commitment to a risk-based approach, and the organisation is improving its data collection and data reporting. The Government will progress a Statement of Expectations for AMSA, noting it is ultimately a decision for the Commonwealth Minister and would likely also reflect AMSA's broader regulatory functions for international shipping, in line with the *Australian Maritime Safety Authority Act 1990*.

For completeness, the Government notes the Productivity Commission's conclusion that a risk-based approach to regulation is most advanced in rail. The RSNL was developed on the principle of risk-based operations for the rail industry and a risk-based approach by ONRSR.

## 4.1 – Identify Derogations from Heavy Vehicle and Rail Laws

*The Transport and Infrastructure Council should re-affirm the principle of consistent national transport safety regulation. The members of the Council should commit to removing material derogations from the Heavy Vehicle National Law and Rail Safety National Law.*

The Australian Government **supports this recommendation**, noting the process of removing derogations it is a matter for state and territory governments. Removing derogations from national legal systems can bring about significant productivity and efficiency gains through greater consistency, as well as a reduction in regulatory burden (both in oversight for regulators and compliance for industry, and in overall cost).

There are over 70 derogations in the HVNL, with many creating unnecessary costs and complexity for industry. The HVNL review currently underway will examine derogations in the regulation of the heavy vehicle sector. The Government notes Western Australia and the Northern Territory are not participating jurisdictions under the HVNL.

The Productivity Commission found that the remaining key derogations in the Rail Safety National Law that affect safety and efficiency relate to the Western Australian mirror law; fatigue management in NSW and QLD; and drug and alcohol management in NSW. The Government notes the reviews undertaken by ONRSR on these issues.

The Government considers derogations and their varied economic impacts on industry should be subject to regular review. Where derogations are retained due to specific regional requirements, the rationale for the derogation should be clearly identified and its benefit articulated against any cost that might be imposed on industry.

### 6.3 – Risk-Based Fatigue Management in Heavy Vehicle Regulation

*The Transport and Infrastructure Council should endorse amendments to the Heavy Vehicle National Law that promote a risk-based approach to fatigue management regulation for heavy vehicles.*

*The amendments to the Heavy Vehicle National Law should remove detailed fatigue management requirements from legislation and empower the National Heavy Vehicle Regulator to:*

- publish ‘acceptable means of compliance’ with fatigue management regulations - set outer limits on driving hours*
- provide concessions from prescribed aspects of fatigue management regulation, where the National Heavy Vehicle Regulator is satisfied that more effective systems of fatigue management are in place.*

The Australian Government **supports this recommendation in principle** and notes that the HVNL review currently underway will examine this issue.

There is general agreement across governments and industry that the new law needs to focus on individual driver fatigue safety risks, rather than exclusively focusing on counting hours of work. A risk-based system that enables industry to work with the regulator and ensure the appropriate controls are in place to manage their fatigue safety risk will be critical to achieving improved safety outcomes.

### 6.4 – Risk-Based Fatigue Management in Rail Regulation

*The Transport and Infrastructure Council should endorse amendments to the Rail Safety National Law and any relevant State, Territory and Australian Government laws and regulations to promote a nationally-consistent risk-based approach to fatigue management regulation for rail transport.*

*The amendments to the Rail Safety National Law and other legislation should remove detailed fatigue management requirements from legislation and empower the National Rail Safety Regulator to:*

- publish ‘acceptable means of compliance’ with fatigue management regulations*
- set outer limits on driving hours*
- provide concessions from prescribed aspects of fatigue management regulation, where the National Rail Safety Regulator is satisfied that more effective systems of fatigue management are in place.*

The Australian Government **supports this recommendation in principle**.

The recognition of the existing arrangements for prescribed or outer work hour limits for train drivers in both NSW and Queensland was a condition of entry into the RSNL by both states, while the remaining jurisdictions adopted a risk-based approach to fatigue management for all rail safety workers. The Australian Government notes that Transport Ministers agreed in 2012 that further review of fatigue arrangements be undertaken by the National Regulator within three years from the commencement date of the National Regulator. Ministers agreed this as a step towards achieving a consistent legislative approach to managing fatigue in the future.

ONRSR’s work on reviewing fatigue management was completed in 2019, however no change to the arrangements was recommended. ONRSR published its Fatigue Management Guideline in November 2020 clearly articulating “acceptable means of compliance”. Given ONRSR commenced 2020 with full regulatory oversight, the Australian Government considers further investigation of this issue should be commenced no later than 2022.

As the recommendation to set outer limits on driving hours applied to both the RSNL and HVNL, consideration is being given to both regulators working together to investigate this further.

## 6.6 – End Grandfathering of Vessel Survey Requirements

*The Council of Australian Governments and the Australian Maritime Safety Authority should wind up the grandfathering of safety regulations under the Marine Safety National Law. Priority should be given to ending grandfathering arrangements that relate to vessel survey requirements and fire detection and smoke detection systems. The Australian Maritime Safety Authority should use the information from vessel survey and other sources to review the safety risks arising from other grandfathering arrangements and the costs to vessel operators of removing the arrangements. Where the safety benefits exceed the costs, grandfathering arrangements should be removed.*

The Australian Government **supports this recommendation in principle**. The Government recognises that the grandfathering of a standard may not inherently make a vessel unsafe. However, this may also change over time, and re-examination of grandfathered arrangements from time to time is appropriate, especially where evidence suggests that requirements may not sufficiently manage a safety risk or meet community expectations.

The Government supports AMSA, in consultation with the Department of Infrastructure, Transport, Regional Development and Communications, taking a risk-based approach to investigate specific aspects of grandfathered arrangements for domestic commercial vessels, rather than a blanket removal of all grandfathering arrangements. This will be informed by the best available data and evidence, and involve engagement with industry to ensure any potential changes being considered are justified by safety improvements, and would not impose unreasonably sudden or significant costs or burden on industry.

## 5.3 – Return Hire and Drive Vessel Regulation to the States

*The Australian Government should negotiate with State and Territory governments to return responsibility for regulating Class 4 Domestic Commercial Vessels (Hire and Drive) to State and Territory agencies.*

The Australian Government **notes this recommendation**. Most state and territory governments have indicated they do not support this recommendation to return hire and drive vessel regulation to the states and territories. The scope of domestic commercial vessels regulated by AMSA under the *Marine Safety (Domestic Commercial Vessel National Law Act 2012* (National Law) cannot be altered without the unanimous agreement of jurisdictions.

Instead, the Government will work collaboratively with jurisdictions to consider matters related to the regulation of hire and drive vessels to ensure regulatory settings under the national system are fit for purpose, including to resolve matters related to the scope of the National Law, such as to clarify its application for new and emerging vessel designs and to recreational vessels that engage in the share economy.



## 8.1 – Australian Design Rules

*The Australian Government should amend the Australian Design Rules (ADRs) and in-service vehicle standards to allow for new transport technologies, including automated technologies, with proven productivity or safety benefits. These amendments should aim to:*

- achieve national and international consistency of laws and standards where practicable, and accept safety devices adopted in other leading economies as 'deemed to comply'. In cases where the Government believes it would be unsafe to apply an international standard in Australia, it should provide evidence to support this view through a transparent review of the ADR, conducted within a defined timeframe*
- address specific ADR issues identified as significantly hindering productivity or safety (such as safety technologies unable to be used due to width and mass limits).*

The Australian Government **supports this recommendation in principle**, noting the ADR framework is already substantially aligned with UN Regulations, and assists the introduction of new transport technologies. Work is underway to minimise regulatory barriers in the ADRs to the introduction of safer, cleaner heavy vehicles.

The Australian Government's policy is to harmonise the national vehicle safety standards with international regulations wherever possible, including UN regulations. As sales of new vehicles in Australia represent less than 1% of the global vehicle market; harmonising with UN regulations provides more Australians with access to the safest vehicles at the lowest prices.

Implementing local standards in Australia in advance of international standards being set is also more likely to fail the cost-benefit analysis test the Government applies before imposing new regulation, as the new technology will be expensive because of its innovative nature and smaller market share.

Implementing Australian standards in harmony with international standards is considered the best way to reduce the cost of these features. It will also ensure Australian standards are developed with regard to world leading design and testing.

The Government commits to ensuring the adoption of international standards at the earliest possible opportunity through:

- investing in UN working groups developing new regulations
- supporting new technologies being implemented voluntarily by vehicle manufacturers; and
- investing in research to identify technologies that will address the most significant areas of road trauma.

Most ADRs also include an 'alternative standards' clause, where a new vehicle or vehicle component is taken to comply with an ADR if it demonstrates compliance with the relevant UN regulation in force from time to time.

As noted above, in 2018, the then COAG Transport and Infrastructure Council agreed the Australian Government should regulate automated vehicles using established vehicle safety frameworks (including the ADRs). The Government is now developing a vehicle safety standard that automated vehicles must meet when they are first supplied to the Australian market.

### 7.3 – Risk-Based Assessment of Heavy Vehicle Access Permits

*The National Heavy Vehicle Regulator should negotiate with individual road managers to facilitate a risk-based assessment of permits, using information from previous access permit approvals on each route. This information should be used to construct more flexible pre-approved permit arrangements with road managers.*

The Australian Government **supports this recommendation**, noting it is a matter for the NHVR and road managers, and is examined as part of the HVNL review process. This approach will enable the NHVR and road managers to work together to categorise access cases by risk (based on previous permit decisions) and allow road managers to focus on managing high risk vehicle movements.

### 7.4 – Transparent Access Permit Decisions and Processing Times

*The National Heavy Vehicle Regulator should publish detailed information online about access permit decisions and processing times. The National Heavy Vehicle Regulator should engage with industry and road managers to determine the form of this information.*

The Australian Government **supports this recommendation**, noting the implementation of the recommendation is a matter for the NHVR.

The NHVR currently provides quarterly snapshot reports on access permit decisions, including average turnaround times and local government heat maps. Australian governments, industry and the NHVR will need to work together to determine what kind of information will provide the best outcome for industry and road managers in implementing this recommendation.

### 7.5 – Expanding As-Of-Right Heavy Vehicle Access Networks

*The Council of Australian Governments should direct road managers (including the state road authorities) to work with the National Heavy Vehicle Regulator to expand key freight routes covered by notices, allowing as-of-right access for larger vehicle types. The focus of this work should include expanding gazetted access networks for:*

- vehicles approved through the Performance-Based Standards (PBS) scheme (including PBS B-doubles, A-doubles and B-triples), at least to match the networks for the equivalent non-PBS vehicles*
- types of vehicles for which permit applications are almost universally approved.*

*Road managers should upgrade road infrastructure to allow heavy vehicle access where the benefits exceed the costs. Where road network constraints prevent heavy vehicle access, road managers should ensure that there are adequate truck stops and logistics centres to allow larger vehicles to be broken down into smaller combinations.*

The Australian Government **supports this recommendation**, noting access regimes are a critical issue for the HVNL review to address. In consultations on the Productivity Commission report, the heavy vehicle industry and the NHVR both highlighted access as a key factor in increasing productivity for the sector. Industry also highlighted the need to measure road manager performance across issues such as access and infrastructure upgrades. Work on access network issues is also being progressed through the Oversize Overmass working group, which involves representatives from each level of government, the NHVR and the National Transport Commission.

Ahead of the HVNL review being finalised, the NHVR is already developing additional notices to expand as-of-right access for heavy vehicles.

As agreed by transport ministers in 2018, a key focus for the NHVR and states and territories in 2021 is to publish a National Notice for each Performance-Based Standards network level. This will provide guaranteed access for these vehicles and encourage adoption of safer and more productive vehicles in the national fleet.

## 10.5 – Adequate Resourcing for Road Managers

*... Australian Governments should ensure local governments can access the financial and technical capacity they need to perform their role as asset managers for local roads. Accountability for performance should accompany any additional support, particularly [on] access permit processing times and the use of notices to gazette heavy vehicle routes.*

The Australian Government **supports this recommendation**, noting local government resourcing is a matter for state and territory governments. The Government agrees that any increase in resourcing of road managers should be accompanied by greater accountability through performance reporting.

During consultations the NHVR noted the importance of funding technology solutions and improving centralised systems, to allow individual road managers access to information and data that will support access decisions. The NHVR and Austroads are also collaborating to implement Austroads' 2020 report '*Frameworks and Tools for Road Freight Access Decisions*', which provides guidance to support road managers in their decision-making.

The Strategic Local Government Asset Assessment Project, funded by the Australian Government and administered by the NHVR, is assisting local road managers to understand the condition of their infrastructure. This information will be included in the NHVR national spatial map, allowing road managers and industry to make more informed and transparent network access decisions.

Challenges relating to the resourcing and capability of local road managers can also impact the rail sector, due to their responsibilities for managing interface agreements at level crossings.

## 10.4 – Heavy Vehicle Road Reform Must Continue

*Governments at all levels should maintain their commitment to the Heavy Vehicle Road Reform process through the remaining trial, development, and implementation phases.*

The Australian Government **supports this recommendation**. The current framework for Heavy Vehicle Road Reform policy development – including engagement with state and territory governments and building community and industry awareness of the way the reformed system will operate – is well progressed. Transport Ministers will be presented with the plan for reform implementation in 2021.

## 10.3 – Governments Investing in Infrastructure on Major Freight Routes Should Consider Intermodal Options

*When considering the costs and benefits of large-scale infrastructure projects to improve the flow of freight on major routes, governments should consider intermodal options which may assist in managing expanding freight volumes. Governments should be neutral on technology and infrastructure choices, focusing on efficient, long-term outcomes.*

The Australian Government **supports this recommendation**, which is consistent with the Government's approach to infrastructure investment (as detailed above), which sees projects considered based on their merits, across road, rail and intermodal projects. The Government is investing in projects that are multimodal or intermodal in nature, including through the Inland Rail, developments to support the Western Sydney Airport including the Sydney Metro West railway and the Moorebank Intermodal terminal. In the 2021-22 Budget, the Government committed up to \$2 billion for a new intermodal terminal in Melbourne and \$61.8 million towards the terminal's planning and development. These investment decisions across modes will help support freight efficiency across Australia.

## 5.1 – Annual Heavy Vehicle Safety Report

*The Transport and Infrastructure Council should direct the National Heavy Vehicle Regulator to collect data on key safety risks and outcomes and publish the data each year in a similar form to the Office of the National Rail Safety Regulator's annual Rail Safety Report.*

The Australian Government **supports this recommendation in principle**. All Government agencies, including the NHVR, will continue to work together to share data to improve road safety outcomes. Further discussions are needed between the NHVR, the Australian Government and state and territory governments to ensure the NHVR would be able to access the data required to complete this report.

This issue is also being considered through the HVNL review, with a key recommendation focused on the HVNL expressly recognising formal data sharing arrangements between the states and territories, the police and the regulator. It is important to note the relevant data would primarily be held by state and territory agencies, not all of which are signatories to the NHVR and the HVNL.

As part of the 2020-21 Budget, the Australian Government has committed significant additional funding to improving road safety data, with \$5.5 million over four years for a National Road Safety Data Hub to inform government policies and decision making on investment and the effectiveness of counter measures. The publication of data on heavy vehicle safety risks and outcomes will support the delivery of the new National Road Safety Strategy over the next decade.

## 6.5 – Improve Maritime Incident Reporting and Disclosure

*The Australian Government should direct the Australian Maritime Safety Authority to take steps to improve:*

- incident reporting by owners of domestic commercial vessels*
- its public disclosure of safety incidents.*

*AMSA should report fatalities and injuries in greater detail, including a state-by-state and vessel-type breakdown of fatalities and injuries.*

The Australian Government **supports this recommendation in principle**. Any measures that operate to improve maritime data collection and reporting are a high priority for the Government. The availability of quality data is essential to AMSA making evidence-based decisions which ensure effective safety standards and meet community expectations. The best available data and analysis should inform and target operational decisions and support efficient delivery of services.

The Government notes the particular importance of timely and consistent incident reporting to improve safety outcomes across the industry, while also acknowledging the challenges for AMSA in collecting and interpreting this kind of data.

The Government acknowledges AMSA continues to address a range of data challenges, including consolidating historical material from states and territories and the impacts of the COVID-19 pandemic. The Government notes the range of positive steps AMSA has taken to improve its collection and publication of safety data, such as regular publication of domestic commercial vessel incident data.

The Government supports AMSA's continuing work with industry to encourage incident reporting, and strengthen its safety data analysis and publication. These measures will help to improve overall understanding of maritime safety issues, and provide the basis for even more effective safety actions in future.

## 7.1 – Regulators Should Report on Compliance Costs

*The National Heavy Vehicle Regulator, the Office of the National Rail Safety Regulator and the Australian Maritime Safety Authority should monitor compliance costs and report on these costs, disaggregated by key regulatory activity, commencing in 2021.*

The Australian Government **supports this recommendation in principle**, noting better data will support transparency, facilitate government and regulatory accountability and may help inform future investment decisions. Further consultations with state and territory governments and regulators are needed to agree the form of any new compliance cost reporting.

The Government notes that the benefit of any proposal for further disaggregation of data would need to be balanced against the potential increase in reporting costs to regulators and industry. The Government acknowledges the range of existing regulatory and cost reporting by regulators, which should not be duplicated.

## 7.2 – Regulators Should Disaggregate Administrative Costs

*The National Heavy Vehicle Regulator, the Office of the National Rail Safety Regulator and the Australian Maritime Safety Authority should disaggregate their administrative costs by key regulatory activity in their annual reports.*

The Australian Government **supports this recommendation in principle**, noting there is a balance between providing clearer, disaggregated reporting and the potential challenges and increased costs in capturing this data. As for recommendation 7.1, the Government will consult with state and territory governments and regulators to determine the extent to which existing reporting already meets this recommendation, and identify the benefit in any further disaggregation against the potential for additional costs.

## 8.2 – Transport Data to Improve Productivity

*Governments should prioritise the uses of data with the greatest potential to improve productivity in the transport sector. These include facilitating coordination between road users and infrastructure managers to:*

- inform the provision and management of road infrastructure*
- inform decisions around permits and road access for heavy vehicles*
- assist in the development and implementation of the Heavy Vehicle Road Reform agenda.*

*The Australian Government should give priority to these uses of transport data when developing the National Freight Data Hub.*

The Australian Government **supports this recommendation**, pending the ongoing scoping and design of the National Freight Data Hub. The project is now in the final stages of developing a prototype Hub website and has received \$16.5 million over four years in the 2021-22 Budget.

The National Freight Data Hub's design aligns with the discussion in Chapter 8 of the Productivity Commission's report on prioritising the use of data with the greatest potential to improve productivity. The project takes a phased approach to enhancing data exchange in the freight supply chain, initially focusing on highly valuable and feasible use cases, including for planning and regulatory purposes.

## 9.3 – Harnessing Data for Policy and Regulation

*Governments (and their agencies) and industry should consider how best to harness logistics and telematics data to improve incentive-based safety regulation, with the aim of influencing behaviours that increase safety and productivity.*

*Governments and regulators should aim to facilitate operators' adoption of technologies to generate and share data by:*

- providing legal assurances about the acceptable use of such data*
- clarifying the value to individual operators of their participation in data-sharing regimes.*

The Australian Government **supports this recommendation in principle**, noting access to quality data is essential to effective regulation.

Governments and regulators have a shared responsibility to communicate with industry about how they are implementing effective data security and privacy protection, as well as communicating the benefits of data sharing. The National Freight Data Hub and the recently announced National Road Safety Data Hub will both see collaboration across governments and industry to improve the collection and publication of transport data. The protection and confidentiality of data, including commercially sensitive material, are key considerations in the design of both hubs.

While the discussion in the Productivity Commission report was primarily framed around the heavy vehicle sector, there are also opportunities to support a consistent approach to data collection and sharing across transport modes and across governments, including increased collaboration on lessons and approaches.

## 9.4 – Improving Safety Through No-Blame Investigation and Research

*The Australian Government should:*

- provide a sufficient annual appropriation to enable the Australian Transport Safety Bureau (ATSB) to carry out its functions, both existing and as proposed in this inquiry*
- formalise the role of the ATSB in conducting investigations and research involving Domestic Commercial Vessels and rail*
- amend the Transport Safety Investigation Act 2003 to enable the ATSB to conduct research and investigate incidents involving heavy vehicles, and autonomous vehicle technologies*
- direct the ATSB to undertake a clearly defined, phased transition into the heavy vehicle role, including an initial period of data collection and research to identify any systemic issues and incident types with the potential to inform policy.*

*The costs of the ATSB should not be subject to cost recovery from industry, but the States and Territories should support the Australian Government by providing a consistent contribution to its total costs, rather than on a case-by-case basis.*

The Australian Government **supports this recommendation in principle** – recognising that while industry across all three modes (rail, maritime and heavy vehicle) expressed support for the recommendation, further work is needed to identify the benefit and scope of any potential expansion of the ATSB's responsibilities.

The Government will consult with state and territory governments, regulators, the ATSB and industry on this proposal, to scope issues including: expected benefits to industry, resourcing options, potential legislative amendments, any need for capacity building within the ATSB, as well as exploring the merits of different implementation options. To avoid duplication, it will be important for these consultations to clearly delineate responsibilities between the ATSB and other organisations (such as regulators) involved in safety investigations and research.