Toll Group

Submission to the Department of Infrastructure and Regional Development
Review of the NTC’s Operational Effectiveness
April 2015
1. Toll Group

Toll Group is the Asian region’s leading provider of integrated logistics services. With annualised revenue in excess of $8 billion, we employ around 45,000 people through a network of 1,200 sites in more than 50 countries. Toll Group’s substantial international presence makes it one of the most geographically diverse Australian multinationals. In Australia, Toll Group directly employs around 25,000 people.

Toll Group has a 125 year history of providing transport, logistics and warehousing services. We are Australia’s largest mover of freight. Our nearly 3,000 heavy vehicles travel around 300 million kilometres across the country to deliver 54 million consignments each year. Our fleet includes pick-up and delivery vehicles, linehaul vehicles and custom-built performance based standards (PBS) vehicles. The movement of freight is supported by a sophisticated network of consolidation and distribution centres, warehouses, intermodal facilities and dedicated driver residencies and change-over areas.

The company has an extensive commitment to a safe, secure and sustainable freight industry and welcomes the opportunity to make a submission to the Department of Infrastructure and Regional Development’s review of the National Transport Commission’s operational effectiveness.

2. Executive Summary

Toll Group enjoys a productive working relationship with the National Transport Commission (NTC) and believes there is a continuing role for the NTC in national transport reform.

However, Toll believes that an unintended consequence of the NTC’s governance and oversight model is an emphasis on what is pragmatic and palatable over what is far-sighted and ambitious.

For this reason Toll proposes that government, industry and community would be better served by a Productivity Commission model for the NTC. Such a model would enable independent, evidence-based, intellectually rigorous and consultative policy approaches.

Toll Group further believes that there is scope for rationalisation in the government transport space. Consideration should be given as to whether there is an ongoing requirement for Austroads, ARRB Group, the National Road Safety Partnership and Transport Certification Australia to continue as separate and independent entities.

3. Response to the Review

Toll Group welcomes the opportunity to provide comment on the operational effectiveness of the National Transport Commission (NTC) as part of the Department of Infrastructure and Regional Development’s review process.

Toll Group enjoys a productive relationship with the NTC and engages with Commissioners and staff through many platforms including:
• Formal submissions on NTC consultation drafts such as the *Heavy Vehicle Roadworthiness Regulation Impact Statement 2015*
• Membership of the Industry Advisory Group convened by the NTC
• Membership of the heavy vehicle national law (HVNL) maintenance group
• Joint participation and attendance at industry and government forums, conferences and seminars, and
• Attendance at the Transport Council (formerly SCOTI) as a representative of the Australian Logistics Council.

Toll Group believes that the NTC has a continuing role to play in driving national transport reforms.

However, Toll believes that industry, government and the community would benefit from a reframing of the NTC’s role. The present governance and oversight structures position state and commonwealth transport ministers as the Commission’s primary, and virtually only, stakeholders.

Accordingly, the NTC is judged on its capacity to secure support from these stakeholders for its proposals. This naturally encourages investment in projects and proposals that are feasible, palatable and expedient; in short, projects likely to receive ‘yes’ votes at TISOC and the Council.

However, successful national reform requires more than this. National reform needs to look beyond the electoral cycle to ask big questions about future states and best practice policy responses. (The recent US Department of Transport document *Beyond Traffic: Future Choices 2014* is a good example of how this might be done)\(^1\). National reform requires robust evidence-gathering and assessment to credibly argue for what is best for the nation.

The Productivity Commission (PC) provides a useful model in this regard. The PC produces independent and widely-publicised evidence-based reports. Once the reports are public, the onus is then on governments and officials to respond and make a case for why the recommendations should *not* be pursued. In this model, questions of resourcing and pragmatism are applied *after* the research and assessment process; rather than being guiding principles in the formulation of policy questions.

A shift towards a “think-tank” operational model would have many advantages, including:

• Greater independence in the framing and assessment of policy questions
• Greater attention on structural and inter-generational ‘wicked problems’
• Enabling consideration of economic reform (including operator licensing), which the NTC has traditionally considered out of scope
• Genuine engagement with, and leverage from, stakeholders beyond transport ministers

This last point is a very important one for two reasons. Firstly, transport portfolios tend to work in isolation from allied policy areas, sometimes resulting in contradictory policy positions. Recent instances of this include the decision by the Office of Fair Trading to no longer require heavy vehicle truck mechanics to have tradesperson certificates while the

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NSW Transport Minister was lobbying for greater policy attention on roadworthiness. Similarly, following the Mona Vale incident the NSW Environmental Protection Authority unilaterally made electronic stability control (ESC) mandatory on all heavy vehicles in that state, even as the Dangerous Goods Competent Authorities Panel decided not to make ESC a national requirement citing the lack of a suitable standard. There are ongoing compliance and enforcement consistency issues between the transport agencies and the police agencies, possible in part because their ministerial portfolios do not have formal touchpoints.

Secondly, the governance and oversight model to which the NTC works inevitably prioritises government stakeholders. Industry views are comparatively tangential and a vast amount of expertise is effectively sidelined. This is not to suggest that industry has all the answers, but it can be a much more effective partner if leveraged appropriately. A Productivity Commission model isn’t a complete panacea for such problems, but it would engender more ambitious policy approaches and broader engagement than we currently see in the transport sector.

If this model were to be adopted, it raises the question of who would assume responsibility for the NTC’s legal drafting, implementation and maintenance work. The National Heavy Vehicle Regulator (NHVR), if suitably resourced, could assume this function.

Toll Group further believes that there is scope for rationalisation in the government transport space. There is a proliferation of transport policy and technical groups with overlapping (in some cases entirely shared) board and decision-making bodies. Not only does this lead to duplication, it fetters creativity and independence as the same ideas and perspectives are circulated.

Toll Group suggests that there is scope to reconsider whether Austroads, the ARBB Group, the National Road Safety Partnership (under the auspices of ARRB) and Transport Certification Australia all need to continue as separate entities.

4. Conclusion

Toll Group thanks the Department of Infrastructure and Regional Development for the opportunity to make comment on the review into the National Transport Commission’s operational effectiveness.

Please direct any queries arising from this submission to:

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