

## **NATIONAL TRANSPORT COMMISSION REVIEW 2021**

### **INFRASTRUCTURE AND TRANSPORT AND MINISTERS RESPONSE AND RECOMMENDATIONS TO FIRST MINISTERS.**

Under the *National Transport Commission Act 2003* (the Act) and the *Intergovernmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport* (the IGA) Infrastructure and Transport Ministers are required to review the operation of the Act and the IGA every 6 years. In November 2020, Infrastructure and Transport Ministers agreed the Commonwealth commission an independent consultant to conduct the National Transport Commission (NTC) Review (the Review) on their behalf. The report of the consultants appointed to conduct the Review (NineSquared) was received by Ministers in May 2021.

The Act requires the Review to include recommendations on the future role of the National Transport Commission (NTC), including whether the NTC should continue, whether the Act should be repealed or amended and the reasons for the recommendations. The Review recommended that the NTC should continue and did not recommend that the Act should be repealed or amended. Some changes to improve the way the NTC operates were recommended including for the NTC to play a stronger role in evaluation and reporting as well as closer engagement with stakeholders to better define problems and identify solutions.

Infrastructure and Transport Ministers' response to the Review's recommendations is set out in the attached table. Ministers have agreed to eleven of the thirteen recommendations for the reasons outlined in the Review report. Two recommendations have been noted.

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<b>Recommendation</b>	<b>Response</b>
<p>1. The NTC should continue as an independent statutory authority</p>	<p>Agreed. The NTC’s structure as an independent authority enables it to provide advice to all governments that supports the development and implementation of transport reforms.</p>
<p>2. The NTC should play a stronger role in evaluating the outcomes of national transport reforms, in particular whether economic and safety benefits were achieved and to what extent. This would allow Ministers to determine the need for further actions and reforms. Transport Ministers should also periodically invite the NTC to suggest reforms for evaluation. Suggestions identified by stakeholders during this review could be considered as part of this process.</p>	<p>Agreed. Ministers will advise the NTC of priority reforms they wish to see evaluated, and will invite the NTC to nominate reforms for evaluation, in consultation with industry and government stakeholders. Outcomes of reviews should be advised to the Infrastructure and Transport Senior Officials Committee.</p>
<p>3. The NTC should take a more collaborative approach to working with stakeholders to define problems and areas of potential investigation, and then agree on solutions and implementation approaches. This approach should take into account the capacity for individual stakeholders, particularly smaller jurisdictions, to participate in the reform development and implementation process.</p>	<p>Agreed. Closer collaboration with stakeholders will reduce duplication and ensure that work is targeted and effective. Ministers expect the NTC to report on the steps it has taken to implement this recommendation when it submits its next Corporate Plan and Work Program.</p>
<p>4. The NTC should consider the following actions to better manage stakeholder input and feedback:</p> <ul style="list-style-type: none"> <li>• adopting a program approach to engagement rather than separate engagement on individual projects;</li> <li>• application of ‘co-design principles’, involving a more collaborative approach to problem definition, the investigation of solutions and development of implementation options;</li> <li>• where possible, developing shorter and more targeted consultation products as an alternative to formal papers and reports; and</li> <li>• Providing feedback to key stakeholders on how and why their comments were considered and/or rejected, along with greater visibility of NTC recommendations to ITSOC and ITMM, to the extent possible.</li> </ul>	<p>Agreed. A more programmatic approach to stakeholder input and feedback will better enable stakeholders to engage with the NTC’s transport reform work. Ministers note the NTC has already taken steps to improve the way it manages stakeholder input and feedback. Ministers expect the NTC to report on the steps it has taken to implement this recommendation when it submits its next Corporate Plan and Work Program.</p> <p>The Department of Infrastructure, Transport, Regional Development and Communications will work with the NTC to consider how feedback to stakeholders can be given better visibility of matters being considered by Ministers through the regular industry briefings provided prior to and following Ministers’ meetings.</p>

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<b>Recommendation</b>	<b>Response</b>
<p>5. The NTC should continue to engage the national regulators early in reform development, consistent with MoUs, to ensure that the operational knowledge of regulators can add value. The NTC should continue to assess opportunities to transition relevant legislative maintenance tasks or operational policy to national regulators, to allow a greater focus on strategic reform and priority initiatives.</p>	<p>Agreed. Early engagement with the national regulators will ensure proposed reforms can be implemented effectively. Ministers request the NTC to continue to work with the national regulators to determine how, what and when relevant operational legislative maintenance tasks, and operational policy matters could be transferred. The NTC shall report on the outcomes of this process when it submits its Corporate Plan and Work Program.</p>
<p>6. The NTC should enhance its general analytical capability, including with respect to economics, to ensure that it can provide strong evidence on the value and impact of transport reforms.</p>	<p>Agreed. Ministers acknowledge steps already taken by the NTC to enhance its analytical capability and expect the NTC to continue to increase its capacity to carry out work to underpin national reforms with a strong evidence base.</p>
<p>7. The Reform Implementation Monitoring Report published by the NTC each year should be changed to provide Ministers with an understanding of whether reform objectives and their anticipated economic and safety benefits were achieved. If an activity-based report is to be retained, consideration should be given to this being led by the Department of Infrastructure, Transport, Regional Development and Communications.</p>	<p>Agreed. Including analysis of economic and safety benefits of previously agreed national reforms will increase the value of the Reform Implementation Monitoring Report to Ministers and identify areas for further work.</p> <p>The NTC should continue to be responsible for preparing the Reform Implementation and Monitoring Report, given the role the report plays in monitoring its work program.</p>
<p>8. A process is instituted to enable Transport Ministers to request the NTC to provide a national view of a reform program to understand how the work of multiple national bodies, contributes to reform development, delivery and implementation.</p>	<p>Agreed. The NTC is in a good position to capture a national view of how the various national bodies can contribute to development, delivery and implementation of national reforms.</p> <p>To address new or emerging issues, Ministers can invite the NTC to provide a national view of a reform program, including advice on how the various national bodies should contribute to the development, delivery and implementation of reforms to address a new or emerging policy issue.</p>

<p>9. Articulation of the respective roles of the NTC and the Department of Infrastructure, Transport, Regional Development and Communications in strategic policy development should be agreed and communicated at officer level.</p>	<p>Agreed. The NTC and the Department of Infrastructure, Transport, Regional Development and Communications will work together to confirm their respective roles in relation to strategic policy development and communicate this to relevant staff in both organisations.</p>
<p>10. The Department of Infrastructure, Transport, Regional Development and Communications should undertake a targeted project to document the remit of national bodies i.e., who does what and why in land transport reform.</p>	<p>Agreed. Ministers note the Department of Infrastructure, Transport, Regional Development and Communications has commissioned a project to document the remit of the national transport bodies and their relationships with each other, ministers and senior officials.</p>
<p>11. The NTC's current level of funding should continue. The recommendations of this Review should not have a material impact on funding arrangements.</p>	<p>Agreed. In accordance with the IGA, current funding approach for the NTC will be maintained.</p>
<p>12. The NTC's funding arrangements should be reviewed to ensure there is flexibility to support new priorities that may emerge during a given financial year or work program lifecycle.</p>	<p>Noted. Ministers have flexibility under current arrangements to provide additional funding to support new priorities and can also exercise existing discretion to reprioritise existing funding.</p>
<p>13. The IGA should be updated to reflect the NTC's current operating arrangements and the Statement of Expectations. The Statement of Expectations should also be updated as part of this process.</p>	<p>Noted. Ministers consider any changes to the NTC's operating arrangements can be captured through updates to the Statement of Expectations, without the need to reopen the IGA. Ministers will consider a revised performance based framework and Statement of Expectations for the NTC by the end of 2021.</p>