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National Transport Productivity Commission
LB2 Collins Street East
Melbourne VIC 8003

Submitted via website - www.pc.gov.au/transport

Productivity Commission - National Transport Regulatory Reform – Draft Report

1. This letter sets out feedback from Co-operative Bulk Handling Limited (**CBH**) in response to the Draft Report released in November 2019 (**Draft Report**) by the Productivity Commission in relation to its inquiry into National Transport Regulatory Reform (**Inquiry**).
2. This letter supplements CBH's previous submission to the Inquiry made on 28 June 2019 in response to the Issues Paper released in May 2019 (**CBH's Initial Submission**).
3. CBH has limited its feedback to the Draft Report to those draft findings and recommendations relevant to CBH's operations in Western Australia.

Draft Findings 4.1 & 4.2 - Nationally consistent regulatory regimes & harmonised transport regulation

4. Draft Findings 4.1 & 4.2 note that inconsistencies remain in the national approach to transport regulation. A key finding in the Draft Report also states that Western Australia's non-participation in the national heavy vehicle regime remains 'unfinished business'.¹
5. However, as set out in CBH's Initial Submission, CBH's view is that any move towards WA's participation in the Heavy Vehicle National Laws (**HVNL**) should balance any benefits of the national system against the increased regulatory compliance cost, but also the significant safety and productivity efficiencies that have been gained at the local level which may not be available under the national system.²

¹ As noted in the Draft Report, WA is not currently a signatory to the Heavy Vehicle Intergovernmental Agreement (**IGA**) and has not adopted the National Heavy Vehicle Laws. Instead, WA's heavy vehicle regulations continue to be developed at a local level (primarily, by MainRoads WA).

² On that point, the Draft Report (Box 4.3) refers to some of the local WA safety and productivity efficiencies that were set out in CBH's Initial Submission as evidence of WA's lack of participation in the HVNL being 'problematic' for operators – to be clear, however, those efficiencies were included by CBH as examples of the benefits of the local WA regime.

6. To that end, CBH notes that Appendix B to the Draft Report ("*Analysing transport and safety outcomes and heavy vehicle productivity*"), which reviewed pre- and post-reform safety and productivity trends, observed that there was little evidence to suggest that the HVNL has had an impact one way or the other on heavy vehicle safety (at pages 8 and 11), and that it was difficult to accurately quantify any productivity benefits (page 18). Further, Draft Finding 6.4 in the Draft Report states that, more generally, the productivity gains from the reforms so far are much less than expected (page 42).
7. Accordingly, it is clear in CBH's view that the increased compliance costs and foregone benefits of the State system would currently outweigh any safety or productivity advantages in WA adopting the NHVL. In fact, the Commission may wish to consider whether changes to the HVNL to align with WA's regime would yield benefits for regulators and industry nationally.

Conclusion

8. We are grateful for the opportunity to provide feedback to the Draft Report and ask that you contact our Government & Industry Relations Manager, Mr David Paton, should there be anything further you require.

Yours sincerely

BEN MACNAMARA
General Manager - Operations