

# The Pragmatist – Mike Taylor, Department of Transport and Regional Services

Mike Taylor, head of the Department of Transport and Regional Services believes the great unsung story in Australia at present is the extraordinary road and rail transport policy changes which are currently taking place. “We’ve started creating a framework where the national AusLink network is now being managed in partnership between the states and the Australian Government, rather than the Australian Government just handing over money, and being unaware of what will, or won’t, eventuate,” he says.

The AusLink partnership will see some \$12 billion spent over the next five years and Taylor believes it will deliver the results the Australian community expects. But he avoids spelling out precisely what these results might be, preferring instead to talk about relationships with the states, and the bi-lateral agreements, including the first signed personally by the Prime Minister.

Taylor has been in the role of Secretary of Transport and Regional Services for 14 months, taking up the position after five years as Secretary of the Department of Agriculture, Forestry and Fisheries. “I’m very much in the business of implementing an important government policy focussed on driving transport reform. Some major initiatives are the way in which we manage road and rail, the aviation and airports policy framework and the maritime framework. Of course the portfolio also has responsibilities in our oversight of territories and regional partnerships,” he says.

Taylor observes that the states are the principal builders of roads and have the constitutional power to build them. “All the land acquisition, all the planning controls, all the environment controls, rest with the states,” he says. “While the Commonwealth has always been a source of some of the money we have often not been strong in getting the priorities for road expenditure in place. When you look at the freight task in Australia doubling over the next 15 years, you realise that there is a very big challenge out there and Government’s must focus on priorities. So an important part of the AusLink policy change is that rather than just the Commonwealth handing over money, it is building strong relationships with the states so that we get a joint approach to future initiatives. It has been important to work from the top down, building a partnership through the Council of Australian Governments’ (COAG) framework, producing a commitment to delivering transport reform and infrastructure needs.”

A particular part of the COAG transport reform process is the introduction of transport and freight corridor studies, both within and between the states to

better understand the future major transport tasks so as to allow priorities to be set more effectively. Taylor points out that the aggregate transport sector represents around 8 per cent of the economy, double agriculture or mining, underlining the significance of the work. He says the big priorities are not necessarily new. In NSW, for example, one is the Hume Highway, the other is addressing the Pacific Highway – the major road corridor between Sydney and Brisbane. This highway has been an issue for a long time.

Quite clearly, Taylor says, we need to lift the level of partnership beyond the traditional transfer of money to NSW with the hope that something develops. So have the Commonwealth and NSW developed a specific agreement on the road? “Well, not yet, however, there are positive developments,” he says. “An important issue is that we are moving away from a piecemeal approach, which has been historically slow to deliver results, to one where we get quality and effective road connections all the way between Brisbane and Sydney.”

“These are two major economic centres for Australia and we have to make sure the connections work well. To assist this development, we have recently signed a Memorandum of Understanding with the NSW government to explore a wide range of options, including public private partnerships, project management and funding and a broadening of the way in which we might capture the benefits from those who use roads. If we continue the current process it will be extremely slow and the completion of the link to a high level may not happen in our lifetime.”

Taylor says his department does not get directly involved in transport policy within the cities as state governments are, have and always will be, dominant for public transport in capital cities. “Under AusLink, part of the way we are working with the states is not just to transfer money into unspecified public transport modes. Instead, the focus is on one of the major issues facing transport in cities; the management of freight movements. So the AusLink framework focuses on how we move freight from ports, both maritime and airport, to inter-modal centres both on road and rail and how we can take that freight out of the mainstream of major cities. This focus is a very important partnership between the two levels of government. That will make a major impact in terms of congestion of freight in cities and that’s a big shift in thinking.”

Taylor will not hazard a guess as to how long it will be before there is less congestion, preferring to talk about the “Big Picture” and the need to eliminate piecemeal approaches. He agrees a lot of money is required to tackle the issues but says the danger is that everyone talks about the money first. “We’ve spent a lot of money on the Hume Highway and it’s still not completed between Albury and Sydney,” he says. “We’ve spent a lot of money on the Pacific Highway over decades.” The big picture is required to get the quantum leaps. “I think the most important shift has been getting the AusLink framework, the partnership

between Commonwealth and states, and then the commitment from the Prime Minister and premiers at the COAG meeting last June to the development of the major freight corridor strategies.”

On rail, Taylor says the Australian Government is undertaking a major North-South study addressing the movement of freight between Melbourne, Sydney and Brisbane. The Australian Government and the Australian Rail Track Corporation are investing over \$2 billion in rail on the AusLink Network primarily to upgrade the vital, north-south rail corridor between Melbourne, Sydney and Brisbane. This investment should improve the competitiveness and efficiency of rail in a corridor where less than 20 per cent is carried by rail, compared with around 80 percent in the east-west corridor. He says the upgrading of railway lines through Sydney and its inner surrounds is complex, “but unless you get your mind around the complexities of the whole corridor, nothing effective will happen in aggregate.”

Another major issue Taylor nominates for the department is the territories – Cocos (Keeling) Islands, Christmas Island and Norfolk Island. He says it is very important to work in partnership with these communities. Another major partnership is with local government, where the Government spends more than \$1.5 billion a year. Finally, there is the regional partnerships programs contributing to every part of Australia.

Taylor is a committed economic reformer. A former Chief Executive with the Australian Dairy Industry Council and a former head of the Victorian Department of Agriculture, he recalls the restructuring of the Australian dairy industry and the battle by some parties to impose dairy industry quotas. “I was in for freeing up the arrangements,” he says. The market was progressively deregulated. The result is that the Australian dairy industry has gone from producing around 5,000 million litres a year in the early 1980s to more than 10,000 million litres a year now. “[I]f it had been restricted by quotas to 5,000 million litres or less there would not only have been reduced employment, there would have been extremely reduced employment opportunities compared to those in the current industry.”

Taylor also takes pride in being part of the team that helped drive water policy reforms in Victoria, resulting in the introduction of water property rights for farmers. This, he says, saw water move from low value to high value uses, leading to growth in towns along the Murray River in North West Victoria. The changes also allowed water to be returned to the environment. “[O]ne of the many things I enjoyed, when I came to the Commonwealth, was continuing to work on that process of water reform.”

“What’s my passion? It’s that holistic approach that if you can drive quality economic reform, you can make great improvements in the economy, and

consequently the wealth and well being of all Australians, and improve the environment, and improve the social well being of people.”

Taylor says his experience in having worked as a head of a state department has not altered the way in which he perceives or deals with the states. “Obviously I operate on the Australian Government’s agenda,” he says. “I’ve never seen an awful lot achieved when people hit head on. Invariably, and in the Commonwealth/state framework, whether it’s in agriculture, natural resource management, environment, or transport, no one party holds all the cards. So success comes from working effectively with each other.”

He says he is a pragmatist who wants to make sure that things happen while he is around. The art of effective public administration is finding a way forward, no matter how bloody minded different parties or individuals might be. “I don’t mean you give in on the policy agenda; rather it’s about thinking clearly about how I and my team can more effectively communicate what we’re seeking to achieve, and underpinning it with quality analysis. It’s amazing how when you get good policy analysis, it can begin to make a big difference, provided it is supported by clear and effective communication.”

In the water reforms in the late 1980s in Victoria, a team of people in Victoria came up with an effective set of water polices. “However, when we had thousands of farmers marching outside the Parliament, I think the minister of the day understandably thought that while the policy advice may have been very good, the practical implementation had more than a few deficiencies.” The policy was dropped at that time, but three or four years later it was successfully re-introduced, by working much more closely with the farming community, the regional community and people with opposing views. “What I’m saying is in the first attempt we got the theory right, however, we hadn’t got the implementation or the stakeholders in tune with what we were really trying to do.”

Taylor considers himself incredibly fortunate to be in his job. “I think one of the things that’s worth saying is that secretaries in the Australian Public Service are very privileged individuals. We have a chance to make a difference, to influence policy development and importantly to work with government, our departmental colleagues, industry and community to develop policies and implement programs for the betterment of the Australian community. That’s an incredibly fortunate position to be in. It is an opportunity to build quality organisations, to develop and make effective policy, and to help drive and influence change.”

Taylor is well placed to judge the performance of the Canberra bureaucracy. As a former state department head, and as a family man who commutes from Melbourne, he has had plenty of opportunity to get feedback from the outside on how the Federal service delivers. With both his children grown up, and a

wife who is a professional in her own right, he goes home on most Friday nights and returns to Canberra on Sunday night, or Monday morning in summer when he can be sure the airport will not be fog-bound.

So does he think the Canberra bureaucracy is in touch with the rest of Australia? “I think Canberra is less remote today than it’s ever been. Theoretically, any capital in a federal system can be remote. However, one of the great features of Canberra culture is a very strong understanding in the Australian Public Service that we are serving the Australian public and the Australian community. It is my observation that the public service does an extremely good job to listen and understand the issues across the extraordinarily diverse range of communities that exist in our country. It’s very easy for people to say Canberra’s remote. But I could just about think of any town or capital city in Australia that you could describe as equally remote from the breadth of experience.”

The portfolio of Transport and Regional Services should give Taylor plenty of opportunity to consider many Australian perspectives, but a task each department head has been given, to take a personal interest in a small number of specific indigenous communities, adds to the potential insight. “I’m involved in working with four indigenous communities in the East Kimberley region,” he says. “East Kimberley sounds pretty good until you realise that it means the Tanami desert, near the WA and NT border.” He goes there about three times a year to work with his West Australian government counterpart and the East Kimberley community to help implement changes to lift the well being of the communities. This is part of the “joined up government” that is much talked about today – and an approach to end petty bureaucratic fights and achieve real results.

Taylor grew up in urban and rural Victoria. His grandparents were farmers and his father an accountant. He spent time in the wheat sheep belt region of North West Victoria which he describes as “seriously challenging country”. He regards the first 20 year mix of urban and bush life when he was growing up as a “huge plus”. “The mix of urban upbringing in Melbourne, matched by a farm and regional upbringing gave me many insights that are indelibly etched in my mind even to this day about life’s challenges,” he says. “When you spend a fair bit of your early life growing up in a farmhouse without power, running your lighting on Shellite, having three taps – a hot and a cold one or dam water, and another tap that you drink on, a kero fridge, no inside toilets, but you have a fantastic, hard working farming and community environment.”

Taylor said that gave him his passion for working with communities. “I have always had a huge interest in science, which I think a lot of us had in the early 60s when we were growing up. However, probably what really challenged me most, when I first started going to University, was starting to come to grips with the breadth of economic policy issues.”

Taylor completed an Agricultural Science degree at Melbourne University and then added a Diploma in Economics at the University of New England. He has been an on-going economics student ever since, saying that it is through economics that we've been able to handle a lot of the really tough social and environmental issues. The economic reforms, particularly in the agricultural, natural resource and water management issues in which he has spent a lot of his life, have, he says, made a huge difference to the well-being of Australians.

Initially Taylor worked in the Victorian Department of Agriculture. There were many important policy changes around agriculture research, marketing reform and trade in the 70s and 80s; and, with his economics, he found a lot of opportunities. "I take pride in being involved in working with industries, particularly on reform issues, where you're deregulating things, but successfully achieving reform with industry ultimately in agreement."

Taylor got to see the reforms from both sides of the fence doing a stint with the Australian dairy industry, driving their international and national market reform program for about two years. He then went back to head the Victorian Department of Agriculture in the early 1990s, when the Victorian public service went through major productivity improvements. This period included difficult years of downsizing that saw public service numbers fall by about one third, to 100,000. "In my own department, there were many positive developments and changes. However, these downsizing changes were particularly difficult. These were people I knew well so you can imagine the personal grief when you are involved in making those reductions," he says.

"[W]e worked incredibly hard with all the people who were leaving the organisation, as well as those who were staying ... it was one of the most emotional periods I've ever been through in my life." Both he and those who were leaving ended up in tears. "You can't go through this process with not feeling it. You can even tell, I still feel it ... the really nice thing in hindsight is discovering how many people subsequently said that this was ultimately a good change even though it wasn't good at the time." Taylor says the people he works with are fundamental to driving success and "it doesn't matter whether you have a situation where you are changing or building, you have to treat people positively in exactly the same genuinely caring sense".

After heading up other Victorian departments, Taylor was invited to come to Canberra to head the Agriculture, Fisheries and Forestry department in 2000. He had been working on Commonwealth/state relations most of his working life; in agricultural, water and natural resource management and he knew many of the people he was to work with in Canberra. The time suited him. His two daughters were either at, or about to go to, university.

Taylor has the reputation for working long hours, often fuelled by copious amounts of caffeine. "I always enjoy getting up early," he says. "I'm always

here before 7 o'clock and that's a great time. You get a lot of things done before everyone else arrives. My job ends when I go to bed, which is some time late at night – because I usually spend some of the evening meeting with colleagues, community or industry groups. He says in the course of a working week it wouldn't matter where he was living, he would not get much time with his family. But are these long working hours commendable or an example of poor delegation? Taylor laughs at this question. "Look, I wouldn't get anything done around this place without my colleagues, I can assure you. Delegation in this job is fundamental."

He says an important part of his working week is thinking – about both the people, the short, medium and long term policy and delivery requirements, and organisational management. "An important part of the day for me is the early morning – my planning and thinking time. During the day I'm delegating and working with my colleagues here, or working with either industry, or state or international colleagues, implementing the breadth of the policy and operational programs of our organisation."

Evenings are spent either talking with colleagues from the states or industry about broad policy issues, such as how to drive rail reform, or move on roads. "That is an issue. That really high level thing that you can't actually delegate. It's something you've got to make a choice about. Do you do that during the day, and put a lot of time in that day and not provide time for your colleagues? Or do you do that at night, when your colleagues quite rightly are spending time with their families? I'm a great believer in balance, so I know you're quite rightly saying, have you guys got it right? That an important choice I've made. I'm being honest about that."

"Despite my own behaviour, I am a great believer in balance and I constantly challenge my colleagues about spending time with their family and friends."

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