

1 April 2015

Jeff Potter
Project Manager
National Transport Commission

via email: jpotter@ntc.gov.au

Dear Mr Potter,

HEAVY VEHICLE ROADWORTHINESS PROGRAM – CONSULTATION RIS

The Australian Livestock and Rural Transporter's Association (ALRTA) is pleased to offer a submission in response to the NTC Consultation RIS on the Heavy Vehicle Roadworthiness Program.

The ALRTA represents road transport companies based in rural, regional and remote Australia.

Our members own and operate their own road transport businesses comprising a mix of small, medium and large fleets.

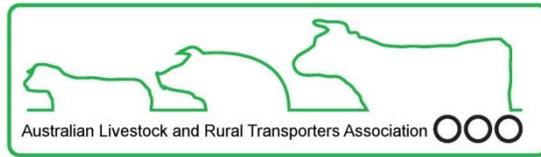
The ALRTA has been working closely with the Australian Trucking Association (ATA) in developing a response to the NTC RIS. While we generally support the recommendations made by the ATA in a separate submission the ALRTA has a different view on the matter of scheduled inspections.

The ALRTA position is outlined in the attached submission.

If your office would like to discuss this matter in more detail, please contact the ALRTA Executive Director, Mathew Munro, on (02) 6247 5434 or mathew@alrta.org.au

Yours sincerely

Grant Robins
National President



ALRTA Submission

In response to

NTC Consultation RIS on the Heavy Vehicle Roadworthiness Program

1 April 2015

1.0 Introduction

The Australian Livestock and Rural Transporter's Association (ALRTA) has considered the proposals contained in the NTC Consultation RIS on the Heavy Vehicle Roadworthiness Program. The ALRTA Executive Director also met with NTC representatives in Canberra on 2 March 2015 to discuss the proposals.

The ALRTA has been working closely with the Australian Trucking Association (ATA) with the aim of developing an industry-wide response to the NTC RIS. While we generally support the recommendations contained in the separate ATA submission, the ALRTA has a different view on the matter of scheduled inspections.

In general, **the ALRTA National Council strongly supports the establishment of a nationally uniform requirement for scheduled third party inspections for heavy vehicles - except for those accredited under an approved maintenance program (e.g. NHVAS or TruckSafe).**

The position is outlined in more detail the sections below.

2.0 The Importance of National Uniformity

COAG has agreed that it is in the national interest to promote national uniformity of heavy vehicle regulation across Australia. Road transport is the 'circulatory system' of the economy and the net benefits of simplifying and harmonising transport laws can be measured in the billions of dollars.

The ALRTA is strong supporter of national uniformity in transport laws, vehicle standards, access rules, registration systems, driver licensing, compliance and enforcement. We consider that a uniform national approach to vehicle roadworthiness is a vital part of a modern system that improves safety and enhances Australia's international competitiveness.

3.0 The Safety Case

Heavy vehicles are engineering masterpieces that have evolved over decades of operation, observance, redesign and refinement. There can be no doubt that progressive improvements in vehicle design have resulted in lower crash rates than would otherwise be the case. However, like all complex mechanical / electrical systems, heavy vehicles require ongoing care to maintain their intended performance capabilities.

It is difficult to draw definitive conclusions about the existence of a causal link between vehicle defects, scheduled inspections and on-road safety outcomes in Australia because there are fundamental differences in inspection requirements and standards across the jurisdictions. Cross-jurisdictional statistical comparisons are fraught with inconsistencies and further collection of raw would not resolve this issue.

However, taking a bigger picture view, it does appear that the incidence of major defects is lower in Australian jurisdictions in which inspection rates are relatively high such as NSW (Table 2 in the RIS: Heavy Vehicle Defect Figures by State and Territory). This indicates that the likelihood of an inspection is an effective deterrent to operating a heavy vehicle with known defects.

The ALRTA accepts that there is most likely a causal link between major defects and a small, but significant, proportion of heavy vehicle accidents. There is an abundance of ‘common knowledge’ supporting this position, for example:

- The Australian Government (and governments internationally) has established mandatory Australian Design Rules for heavy vehicles to set minimum safety standards and promote continual safety improvement;
- Provisions and penalties concerning vehicle defects and the operation of unsafe vehicles are a central tenant of the agreed Heavy Vehicle National Law;
- Industry accreditation schemes such as TruckSafe have been established on the assumption that there is a strong link between vehicle maintenance and on-road safety outcomes;
- The ATA Industry Technical Council supports vehicle inspections as an effective means of improving safety; and
- All drivers and operators know that failures in critical vehicle components (e.g. brakes and steering) can have catastrophic consequences on the road.

4.0 Inspections and Accreditation

There is a strong and understandable public interest in the roadworthiness of heavy vehicles.

It is unacceptable that, under current arrangements, some heavy vehicles are legally able to travel on public roads without any requirement for scheduled third party inspections or participation in an approved accreditation program.

The ALRTA believes that scheduled vehicle inspections, robust accreditation systems and on-road interceptions all have a complimentary role to play in reducing the incidence of major defects.

The ALRTA National Council strongly supports the establishment of a nationally uniform requirement for scheduled third party inspections for heavy vehicles - except for those accredited under an approved maintenance program (e.g. NHVAS or TruckSafe).

Inspections should not be required for participants in a robust maintenance accreditation system because there is auditable evidence that the operator is taking all reasonable steps to maintain their vehicles in a roadworthy condition every day of the year. The ALRTA supports the ATA recommendation that there should also be a minimum level of random sampling of accredited vehicles.

Critics of scheduled inspections argue that ‘point in time’ inspections are not effective because they do not guarantee that vehicles are roadworthy on all other days of the year. While the ALRTA agrees that a recognised accreditation system is a superior approach the following points are worth making:

- It is known that all vehicle components degrade over time;
- Comprehensively inspecting vehicles at regular intervals can assist in identifying problems that might not be identifiable on the roadside;
- Regular checking by third parties can motivate operators to repair any known issues before checking occurs;

- It is highly unlikely that any operator would intentionally ‘undo’ costly repairs undertaken for the purpose of passing an inspection and so the observed vehicle condition should persist well beyond the inspection day;
- ‘Point in time’ inspections are far better than no inspections at all; and
- Paradoxically, the requirement for regular vehicle inspections can motivate operators to instead participate in a recognised accreditation system if it means that time off road can be minimised.

Scheduled inspections and accreditation systems also need to be supported by fair and reasonable on-road inspections to provide a final layer of assurance that operators are maintaining their vehicles in a roadworthy condition.

5.0 Risk-Based Targeting

A balance needs to be struck between the cost of checking and the likelihood that defects have arisen.

The RIS predicts that the costs of mandating scheduled inspections for all vehicles without exception will outweigh the potential benefits. For this reason, the ALRTA supports exempting accredited operators along with an approach that would give the NHVR the power to require scheduled inspections based on determinations of risk – provided that this is done in consultation with industry and on a nationally uniform basis.

It makes sense to target resources to areas of higher risk while at the same time reducing red-tape for low-risk operators. There must however be some checks and balances in a risk-targeting system.

The NHVR should be required to put a compelling case to Ministers before a decision on modifying the inspection burden is taken. Any proposal to increase checking in one area should be off-set by decreased checking in another area. This will ensure that industry-wide benefits are maximised while costs are kept to a minimum.

There must also be reasonable lead times to enable industry and governments to prepare for any new or modified inspection requirements.

6.0 Governments Can Act Now

The ALRTA understands that there will be some reluctance to adopting any form of scheduled inspection requirement in jurisdictions such as Victoria due to the additional cost that this will impose on affected operators. As a result, some stakeholders will call for further studies to be undertaken to unequivocally establish a causal link between inspections and on-road safety before any action is taken on scheduled inspections.

However, given low underlying accident rates and the difficulties in comparing jurisdictional data under current inspection regimes, significant new controlled case-studies would be required to have more clarity around a causal link. In the opinion of the ALRTA this would be unnecessarily expensive and time consuming and most likely only prove what operators and enforcement authorities already know (see Section 3.0).

An important benefit of agreeing ‘in principle’ to a uniform national approach based on scheduled inspections and risk targeting is that governments can act now without waiting years for further broad-based research to be undertaken.

Work could commence immediately on negotiating a harmonised inspection system in terms of what is checked, how often and by whom. A nationally harmonised inspection system is a laudable goal whether or not it is extended into new jurisdictions – at least those that do inspect would be doing it on the same basis and new data would be comparable.

Jurisdictions such as Victoria could agree ‘in principle’ now and then consider the specifics of any new inspection proposal including the likely costs and benefits before taking a final decision on implementation.

At the same time, the NHVR could commence data collection and risk analysis to start preparing proposals for risk-based targeting of particular vehicle types. A critical step in this process would be for the NHVR to work with industry and governments to develop an agreed basis for identifying risk and the critical thresholds for action. Again, Victoria could factor in NHVR proposals in considering the proposed coverage, costs and benefits of a nationally harmonised system.

Over time, it will also be vitally important to collect specific data to regularly ascertain whether or not targeted inspections are reducing the incidence of defects and whether or not there is a consequential reduction in accident frequency or seriousness. Targeting will need to be reassessed periodically based on these outcomes.

7.0 Challenges

7.1 Availability of Inspection Facilities

The availability of inspection services will be an important consideration in any re-targeting exercise.

In SA only government officers are authorised to undertake inspections and this significantly limits the availability of inspection opportunities. The ALRTA recommends that a uniform national approach should be applied that extends authorisation to private inspectors in all jurisdictions.

There are also challenges in extending inspection requirements to vehicles that operate continuously in remote parts of Australia. The NHVR will need to devise strategies to address this issue such as making available mobile inspection stations or taking this into account when considering inspection frequency.

7.2 Complimentary Risk Targeting

Any new inspection regime should be closely supported by the NHVR’s national compliance and enforcement strategy. Vehicle targeting should be undertaken on a complimentary basis whether inspections are scheduled or random.

7.3 Data Collection and Data Matching

While the ALRTA appreciates that there are practical limitations relating to what can be inspected on the road-side, under a national system there should be opportunities for collecting data and matching it with specific registered operators.

In some cases, it may be possible to exempt, or partially exempt, an operator from a scheduled inspection on the basis that recent roadside interceptions have demonstrated that the vehicle is in good condition.

7.4 Recognition of Industry Accreditation Schemes

Operators accredited to the maintenance module of the NHVAS are not required to obtain a certificate of inspection for annual registration renewal. While the ALRTA supports this concession, the same concession should also be available to accredited operators under industry accreditation schemes such as TruckSafe.

Arguably, TruckSafe is a superior system to the NHVAS maintenance module. TruckSafe accredited vehicles have the lowest defect rates across the road transport sector and the TruckSafe program is renowned for its strong focus on integrated business management.

Industry itself is best placed to understand historic and emerging safety issues as well as best practice management systems. Competition drives innovation and a culture of continuous improvement. It is fundamentally a 'healthy' situation for there to be competing accreditation systems available to operators, provided that each meets minimum uniform national standards.

Accreditation systems can also 'learn' from one another as progressive improvements are made. For example, NHVAS has recently adopted new auditing standards modelled on those already in place as part of TruckSafe.

However, under current arrangements operators accredited under TruckSafe do not enjoy the same regulatory concession that is available under NHVAS. As a result, operators that seek to take advantage of the regulatory benefit would need to join both NHVAS and TruckSafe. This gives an unfair advantage to NHVAS and acts a deterrent to becoming accredited under TruckSafe.

The ALRTA believes that Governments should be encouraging and facilitating the growth of recognised industry accreditation schemes rather than competing with them on an unfair basis.

This could be achieved by:

- Decoupling NHVAS from the NHVR and operating it as an independent entity;
- Empowering NHVR to set minimum standards and to 'approve' compliant accreditation schemes;
- Allowing industry schemes to seek approval with NHVR and compete on the same basis as schemes like NHVAS; and
- Extending any regulatory benefits to all equivalent schemes.

Under this model:

- Industry would be encouraged to support the further development of accreditation schemes;
- Operators would be able to choose the accreditation scheme that best suits their needs;
- Competition would drive continued innovation and improvement; and
- NHVR could play an oversight role, rather than an operational role, for accreditation activities which would allow it to focus more on its core activities.