

1. INTRODUCTION

This submission outlines significant concerns I have identified for NHVR-approved auditors and NHVAS-accredited operators regarding the proposed Accreditation Standard and associated Safety Management System (SMS) Evidence Requirements.

The purpose of this feedback is to highlight how certain structural and procedural elements of the draft Standard may unintentionally create:

- increased regulatory and operational risk,
- higher compliance burdens,
- inconsistency in audit outcomes, and
- reduced safety effectiveness across the industry.

2. KEY ISSUES IDENTIFIED

2.1 Restrictions on Auditor Guidance Limiting Operator Capability

Under the Auditor Code of Conduct and National Audit Standard, auditors must remain independent and are prohibited from:

- recommending or designing solutions,
- supplying templates or system content,
- amending an operator's SMS,
- providing practical implementation advice.

Yet auditors are the individuals with the deepest knowledge of:

- the SMS Standard and Schedule 1,
- best-practice safety management,
- effective approaches observed across multiple operators.

Practical Outcome

Operators—particularly small and medium operators—cannot utilise auditor expertise to improve their systems or correctly interpret complex requirements.

Impacts

- Misinterpretation of requirements.
- Incorrect or excessive self-implemented solutions.
- Greater reliance on third-party consultants (variable quality).
- Slower development of safety capability across the industry.
- Increased frequency of nonconformances and escalating CARs.
- More NHVR intervention.
- Frustration and tension in auditor–operator relationships.

2.2 Increased Legal and Professional Risk to Auditors

Auditors face significant professional and legal exposure if:

- deficiencies in an operator's SMS later contribute to a serious incident, or
- NHVR post-incident reviews identify issues the auditor "should have detected".

Due to independence restrictions, auditors must:

- identify problems without suggesting solutions,
- avoid practical guidance,
- decline operator requests for "how to fix" advice.

Consequences

- Increased perception of negligence risk.
- Higher likelihood of performance review, retraining, or removal.
- Difficulty balancing independence with practical industry needs.
- Auditor fatigue and burnout.
- Loss of experienced auditors from the register.
- Increased inconsistency and operator complaints.

2.3 Mandatory Auditor Rotation Reduces Continuity and Raises Risk

The "One-Period Rule" requires operators to change auditors every accreditation cycle. Alternating between the same two auditors is discouraged and may trigger scrutiny.

Impacts on Operators

- Loss of continuity between audit cycles.
- Inconsistent interpretation between auditors.
- Need to repeatedly re-explain operations.
- Feeling they are "starting again" each cycle.
- Higher costs due to onboarding new auditors.

Impacts on Auditors

- Greater operator pressure to provide guidance to compensate for lost continuity.
- Increased risk of accidental breaches of independence (e.g., saying too much or using knowledge from prior audits).
- Increased likelihood of conflict or misunderstanding regarding evidence sufficiency.

2.4 Risk of Operators Relying on Incorrect or Ineffective Interpretations

Without the ability to ask auditors "how do we apply this?", operators may:

- misinterpret Schedule 1 evidence requirements,
- implement ineffective or overly complex procedures,
- purchase unsuitable template systems,
- fail to integrate the SMS into day-to-day operations.

Consequences

- Repeated nonconformances.
- Increased near misses and incidents.
- Investigations and regulatory intervention.
- Adversarial relationships with future auditors.

2.5 Higher Compliance Costs and Duplicated Effort

Because auditors cannot assist with design or implementation, operators must often:

- engage consultants,
- train multiple internal staff,
- procure more complex systems than necessary,
- reconcile consultant-produced content with auditor feedback.

This disproportionately affects small operators with limited resources.

3. RISKS IDENTIFIED

Risks to Auditors

3.1 Over-complexity and volume of evidence

- Schedule 1 requirements are extensive.
- Risk of audits becoming mechanical or incomplete under time pressure.

3.2 Subjective decision rules

- “The Regulator must be satisfied that...” leaves room for subjective interpretation.
- Different auditors may reasonably reach different conclusions.

3.3 Overlap and duplication

- Similar evidence appears across multiple clauses (e.g., 4.1, 4.2, 4.4).
- Risk of double-counting or missing required elements.

3.4 Proportionality challenges

- Standard references proportionality but provides no examples.
- Hard for auditors to apply consistently across operator sizes and complexities.

3.5 Pressure to provide guidance

- Operators expect help because auditors hold the expertise.
- Any guidance risks breaching independence or creating a conflict of interest.

3.6 Significant additional unpaid workload

Repeated CAR reviews and follow-up communication are often **not covered by audit fees**, especially for small operators.

As CAR cycles increase under the new, more complex Standard, auditors face unsustainable time burdens.

3.7 Increased operational cost with no ability to recover fees

Where operators become unresponsive, withdraw from accreditation, or dispute findings, auditors may be left with **unrecoverable costs**.

3.8 Risk of non-payment

If operators disengage—particularly those withdrawing from accreditation—the auditor may never be paid.

3.9 Greater reluctance to take on high-risk operators

Auditors may avoid operators who appear:

- poorly prepared,
- financially unstable, or
- unwilling to engage constructively.

This reduces auditor availability for exactly the operators who most need support.

3.10 Feasibility concerns for the auditing profession

If CAR management becomes more resource-intensive without compensation mechanisms, the auditing role becomes financially unviable, reducing the number of qualified and experienced auditors available to the industry.

4. AUDIT & ACCREDITATION IMPLICATIONS

4.1 Longer Accreditation Processing Times

Impact

- Longer NHVR processing times.
- Increased correspondence to clarify evidence.
- Risk of approval delays or backlog.

4.2 Increased Non-Compliance and CAR Volume

With higher evidence requirements:

- More operators will initially be non-compliant.
- More CARs will be issued.
- More operators will struggle to close CARs on time.
- Increased risk of sanctions or suspension processes.

4.3 Operators Withdrawing from Accreditation – NHVR Exposure

If requirements become too complex or costly, operators may withdraw voluntarily.

Implications

- NHVR loses visibility of their safety management.
- Some operators may exit accreditation to avoid scrutiny.
- Higher likelihood of unmanaged risks.

- Increased chance of incidents.

If a withdrawn operator is later involved in a serious incident:

- NHVR may be criticised for allowing operators to “escape accountability”.
- Coronial or media scrutiny may highlight regulatory gaps.

5. RECOMMENDED IMPROVEMENTS

5.1 Clarify Scaling and Proportionality

- Provide explicit examples for micro, medium, and large operators.
- Show “what good looks like” for:
 - governance,
 - risk registers,
 - KPIs,
 - documentation formality.

5.2 Reduce Duplication and Clarify Clause Boundaries

Especially within Standard 4:

- 4.1 – define KPIs
- 4.2 – monitor and review
- 4.3 – use results for improvement
- 4.4 – evidence/data requirements

Clearer boundaries improve consistency.

5.3 Introduce Clearer Decision Rules

Examples such as:

- *Major NC*: No risk register.
- *Minor NC*: Register not reviewed in 12 months.

Provide guidance for PSOE thresholds (“To be rated Operating, the operator must...”).

5.4 Provide Guidance on Sampling & Evidence Depth

Reference the NAS directly and provide minimum expectations for:

- sampling drivers, vehicles, depots, incidents,
- depth of evidence testing for Present, Suitable, Operating, Effective.

5.5 Add Cross-References Between Standards

Make structural links explicit, e.g.:

- 1.4 Safety Culture → 3.3 Communication → 4.3 Improvement.

5.6 Provide a One-Page “Audit Mapping Summary”

Table to include:

| Standard | Required Evidence | Typical Sources | Common NCs |

Supports consistent audit planning and operator preparation.

5.7 Clarify Transitional Expectations

Early cycles should explicitly focus on maturity-based expectations.

Suggested language:

“During the first renewal under this Standard, the Regulator will prioritise Present and Suitable requirements for newly introduced elements, assessing Operating and Effective proportionately based on evidence maturity.”

A transitional roadmap would reduce uncertainty.

5.8 Two Audit Rule

The NHVR should allow auditors to undertake up to **two consecutive accreditation audits**, subject to appropriate conflict-of-interest safeguards.

More accurate assessment of progress

An auditor who completed the first audit has direct insight into:

- prior findings,
- previous PSG (Present/Suitable/Operating/Effective) maturity ratings,
- changes made, and
- whether improvements were embedded.

This produces more reliable assessments of implementation maturity.

5.9 Audit Fee Protection

The NHVR should provide guidance or a fee protection mechanism to ensure that auditors are compensated for repeated CAR assessments and administrative rework where the operator fails to meet agreed timelines. Without this, the increased burden risks making NHVAS auditing commercially unfeasible.

6. CONCLUSION

The proposed Accreditation Standard provides a robust framework for strengthening safety management across the heavy vehicle industry. However, several structural and practical issues risk:

- increasing regulatory burden,
- reducing operator capability,
- heightening auditor exposure,
- generating inconsistent outcomes, and
- unintentionally undermining real-world safety performance.

The recommendations in this submission aim to ensure:

- clearer expectations,
- consistent audit outcomes,
- fair, proportionate implementation,
- strengthened industry capability, and
- better alignment between auditor independence and operator needs.

I welcome continued consultation to refine the Standard in a way that protects integrity while maintaining practicality and proportionality across the industry.

SHARON VASTERINK

COR MANAGER, NHVAS AUDITOR, CERTIFIED TRAINER

+61 [REDACTED] | [REDACTED]



+61 3 9088 7575
 bttengineering.com.au
 PO Box 21, Kings Meadows TAS 7249

TASMANIA
5/73 Paterson St. Launceston TAS 7250
VICTORIA
262-276 Lorimer St. Port Melbourne VIC 3207
4a Wellsford Dr. East Bendigo VIC 3550

