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National Transport Commission
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HVNL Review Issues Paper – Vehicle standards and safety

Thank you for the opportunity to provide comment on the above HVNL Review Issues Paper.

As a principle and in reality, we all want heavy vehicles operating on our roads to be as safe as possible with our Laws structured to facilitate this outcome. Importantly, we are getting a growing distinction between urban and long distance, regional and remote.

I also note with interest that the Paper points out that the current vehicle standards are for the most part harmonised which is the goal we need to vigorously pursue in other areas of the national Law by seeking a no derogations rule.

But again, like in other Papers, this one highlights that we fall down in terms of the actions and philosophies pursued by the state jurisdictions, this time with inspection and enforcement practices where inconsistencies and different interpretations cause major headaches for operators. This occurs in both cross border situations and in different parts of the one state depending on the competency of the inspecting authority which can vary widely from time to time.

I strongly support the targeting of major and serious defects, it's the focus on minor defects that kills productivity with no safety benefit including the clearance of them. As a principle, the Law should allow for self-clearing of minor defects with no monetary penalty. If it is found that a minor defect is not cleared within a reasonable timeframe, say 21 days, then take stronger action.

Vehicle Standards – are the ADRs still required?

I think the main question here is highlighted by the statement in the Paper that "Australia's heavy vehicle standards can be traced back to international standards in most cases".

Why do we have the Australian Design Rules (ADRs) which in effect, add another very expensive layer of cost to equipment and some would say, provide an unnecessary subsidy to the sector that supports them. We are just adding costs to our customers who as we know, are far more reliant on road freight transport in Australia than their global competitors.

I understand there has been a perceived historical relevance for the ADRs but with far greater global scrutiny and harmonisation in the standards area, I think the main question to ask in the Review is whether we still need the ADRs and the associated cost structure for heavy vehicles? *Note: In saying this, I don't know if the new Road Vehicle Standards Act 2018 (Clth)(RVSA) is a step in the right direction or whether it will make the process more difficult?* At the very least, Australia should be

accepting vehicles that comply with the international standards relating to axle mass and width. If it is deemed necessary, a solution maybe to accept vehicles from agreed sources with higher scrutiny on those that don't meet an acceptable standard.

This issue is important to RFT as we purchase a large number of pieces of equipment each year. In the past, we have also imported 100 innovative trailers from the US and the UK.

To build to Australian Standards rather than simply accepting those in countries that have acceptable standards adds considerably to costs particularly to meet the different dimensions and standards in Australia. So rather than be incremental volume increase for the credible overseas supplier meaning no additional overheads, our equipment became the opposite. It required and incurred re-engineering costs for the relatively small number of units involved which added further unnecessarily costs with no particular safety benefits. In the end, which our customers end up paying for something that didn't add value nor improve safety outcomes.

In service safety – the biggest challenge!

In regards to in-service standards (and inspections), the regulatory effort (as opposed to industry) varies greatly across states with NSW clearly being seen as the most active jurisdiction. I can understand that principle given the amount of interstate heavy vehicles also using NSW roads, I just don't think the current effort delivers the return on investment.

I note the statement in the Paper that overall, it's difficult to detect unsafe and non-compliant vehicles and I think this leads to the unintended focus on minor defects as this is easier. I'm a strong supporter of all heavy vehicles having an annual inspection. This at least provides one check a year but for some reason, most state jurisdictions don't require this. It's not the long-distance vehicles I'm worried about as most of these travelling through NSW have to go through checking stations at some time – and interstate operators won't run the risk of being detected. The situation in urban areas is different with older vehicles involved with many having interstate licence plates. I presume they somehow bypass the checking stations to get to the urban area to work.

It's also the application and targeting that confuses RFT where it is perceived again, that minor problems are seized upon with little capacity to target those that actively avoid detection mainly because they don't use major thoroughfares. This is compounded by a complicated and time-consuming defect clearing system made worse when the defect (usually very minor) is issued in a state other than where the registration of the vehicle sits. There is no linkage across borders and we are required to have the home state registration authority fax the defect clearance to the state where it was issued or risk possible cancellation of the vehicle registration.

Overall, we've probably missed the boat to date in encouraging and rewarding those operators who take up accreditation arrangements in this area. I think regulators and enforcement authorities felt threatened by these schemes, especially the industry ones like TruckSafe and worked against them thinking their jobs and relevance was under threat. I understand further work is underway to seek a way forward with accreditation, my main hope here is that it's not made so hard that no one wants to take it up. We need to encourage better, not just seek perfect outcomes.

Today, on long distance hauls, the overall quality and safety of heavy vehicles combined with the vastly improving road infrastructure sees performance way superior to that of past decades. It is not normally economical or indeed practical to use older vehicles in this task. This ensures a higher standard is evolving despite the fact that some still don't meet the in-service standards relating to avoiding major (as opposed to minor) defects.

My experience tells me that the reverse is the case in our urban tasks (getting worse rather than better) due to a number of factors. The task is growing and long-distance heavy vehicles “retire” and move into this space to add to the existing and already outdated ones. The increasing task and requirement for trucks in urban areas also means the aging fleet isn’t being replaced and continue working thanks to the low level of likely interception which adds to the safety problem. As an example, a few years ago, NSW had the opportunity to introduce a credible and workable SPECS program to accompany the big increase in major infrastructure projects. Unfortunately, it ended up unusable due to the bureaucratic design reducing any benefits and the failure for contracts to specify the requirement. We needed a horse and ended up with a camel instead!

The high costs that we pay for equipment adds to the problem and is often cited as the reason for the high average age of the heavy truck fleet in Australia. Operators simply need to use it for longer to recover the much higher depreciation that has to be recovered. In Australia, we pay substantially more than the equivalent vehicle in say the UK which is also right-hand drive and when you challenge the manufacturers on this point, they blame the costs of meeting the Australian ADR’s.

This in turn results in the latest safety features and environmental benefits being slower to enter the fleet in numbers here causing the Australian community to take much longer to receive the benefits.

The PBS System – I’m not sure where to start!

RFT has attempted to be “big” users of the PBS system. We are always looking at innovative ways to do the job better in both a productivity and safety sense.

Whilst the introduction of the PBS system was meant to be all about encouraging this innovation and safer and higher productivity heavy vehicles, it seems we forgot to take the supporting regulatory system along the same path as was originally proposed, I think by the NRTC in 2000. As outlined in your paper, the PBS Scheme was intended to be a testing ground where new vehicles and combinations after testing would transition to the prescriptive heavy vehicle fleet. This has not eventuated and to date to my knowledge, the only PBS vehicle to be given General Access without PBS Permits is the Six Axle 20m vehicle and this is only in NSW.

I applaud the NHVR for advances it has made within the construct of the current Law to approve PBS vehicles but overall, the system is a nightmare and a huge cost to deal with from start to finish.

I note the future proposed “softly, softly” approach outlined in the Paper to perhaps allowing the NHVR to sign off on some PBS approvals. Is it the case that this area is highly protected by long standing bureaucracies that want to maintain their patch and authority or is it some other reasons?

Overall, I’m not sure why NHVR sign off can’t be achieved in all but the extreme high-risk cases. I commented on the PBS process in the Easy Access Paper and I will repeat these points here too:

PBS Challenges

a) PBS Level 1. 20m Six Axle Single Articulated.

These vehicles have General Access Approval in NSW which is fantastic. However, in the ACT and Victoria we still need PBS Permits and approvals for local roads. These permits like the access approvals are initially for three years and then have to be renewed annually. Like the access permits, why can’t these then become general access vehicles in each of the States and not require future approvals or permits for the same configuration if they have operated under the original permit without incident?

b) PBS Vehicles Have no Residual Value

Under the current PBS Permit approval regime where nothing is guaranteed into the future even if the approved configuration operates with no issues for the first three years, there are no guarantees that the PBS Permits will be approved on an ongoing basis so therefore no residual values can be placed on the specialised trailers requiring PBS approvals. This takes away a lot of the financial benefits of the improved productivity that people hope to get from PBS vehicles.

Let's just look at the "sad" facts outlined in the Review Paper:

- Operators need to set aside at least seven weeks (if you are lucky) to obtain a PBS permit
- A panel of eleven regulators (yes 11), sit on the PBS Review Panel and take around 25 days to respond to applications (note that this is just respond, not progress)
- PBS permits have to be reviewed on a regular basis (more red tape paperwork)
- The number of design approvals has decreased significantly in the last five years. I can tell you why, it is too hard and too costly!
- Paperwork is required for everything and must still be carried in each and every truck which is complex for drivers and staff overall – due to the number of documents, it is often difficult to keep this up to date and then locate it on the side of road if asked. Why is this not available and transparent to enforcement through the systems they use. The HVNL also doesn't provide for us to do that electronically either.

To improve the process and encourage more take up, a forward-looking PBS Scheme would look something like this to me:

- The in principle and post manufacture approvals would be combined i.e. the 2nd approval process would not be required
- The manufacturer would be held accountable for the build to the agreed standard rather than requiring 3rd party engineering sign off
- after the initial three-year period, permits would be automatically renewed by the NHVR for an indefinite period unless there was a problem identified during the initial period
- the current PBS Review Panel function would be absorbed by the NHVR with only high-risk operations being referred to a smaller review process.

Conclusion

This Review Paper clearly identifies that the current regulatory approaches in the vehicle standards and safety areas need major reform and modernisation. We won't achieve better outcomes until updated approaches are embraced by state jurisdictions – whilst it might not be as bad as our past rail gauge challenges, the impact and costs associated are very frustrating to all involved in trying to deliver safer and more productive outcomes.

Kind Regards



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