



HEAVY VEHICLE
INDUSTRY AUSTRALIA



HVIA Submission

Productivity
Commission daft
report on National
Transport Regulatory
Reform

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Heavy Vehicle Industry Australia
Represents and advances the interests of manufacturers
and suppliers of heavy vehicles and their components,
equipment and technology.



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Background

HVIA would like to thank the productivity commission for the opportunity to comment on the draft report into national transport regulation.

Heavy Vehicle Industry Australia (HVIA) represents and advances the interests of the entire industry involved in the design, manufacture, importation, distribution, modification, sale service and repair of on-road vehicles with a gross vehicle mass or aggregate trailer mass over 3.5 tonnes as well as their components equipment and technology. The industry directly employs over 36,000 people and provides some of the world's most efficient, safe, innovative and technologically advanced vehicles. HVIA seeks to work with government and industry stakeholders to promote an innovative and prosperous industry that supports a safe and productive heavy vehicle fleet operating for the benefit of all Australians.

HVIA's members supply vehicles or components currently regulated by the Heavy Vehicle National Law (HVNL), WA and NT state Law and the *Motor Vehicle Standards Act* (MVSA) which will shortly be replaced by the *Road Vehicle Standards Act* (RVSA) which is administered by the Commonwealth Department of Infrastructure, Transport, Regional Development and Cities "The Department". Discussion of the regulation of our industry needs to consider the interaction of all of these pieces of legislation.

HVIA will restrict its comments to matters related to the regulation of the heavy vehicle industry. HVIA is keen to ensure that the review includes matters related to the entry of new vehicles into the fleet and also the in-service modification and maintenance of vehicles in the fleet

HVIA's Key Comments

HVIA generally agrees with the findings of the report, and in particular, believes that safer vehicle design has been a significant driver of the improvements in safety over the last decade. However, HVIA would like to comment on several key areas of the reforms.

Interaction of the HVNL With Other Legislation

It is important for the review to recognise that the regulatory framework for vehicles is broader than the HVNL and includes the MVSA, which is currently in the process of transitioning to the RVSA.

These pieces of legislation govern the first entry of vehicles to the market through the Australian Design Rules (ADRs). As a result, it is important to consider the interaction of this Commonwealth legislation with the NHVL which governs in service regulation of heavy vehicles.

These issues are compounded by the interactions between the new vehicle approval processes under the Road Vehicle Standards Act and the HVNL processes for new PBS vehicles. In particular, the scope of exemptions to ADRs available for PBS vehicles needs to be reviewed and to be made as simple as possible.

HVIA is also of the view that Mutual Recognition between all jurisdictions (regardless of whether they are covered by the HVNL or not) needs to go beyond accreditation schemes and include all aspects of inspections, vehicles approvals, clearance of defects and any other relevant matters related to the construction and standards required for vehicles.

The Influence of the Regulatory Framework on the Composition of the Heavy Vehicle Fleet

There is good evidence that newer vehicles are both safer and more productive than older vehicles and HVIA believes that the regulatory framework should encourage the uptake of newer vehicles or at the very least compliance cost monitoring should extend beyond the HVNL.

HVIA is of the view that the current regulatory framework involves a relatively high level of regulation of vehicle standards on new vehicles entering the fleet and a relatively low level of regulation of vehicle standards for the existing fleet which acts as a disincentive for the entry of newer and safer vehicles into the fleet.

This is evinced by Australia having a much older average age of its heavy vehicle fleet than most comparable countries.

The NHVR's National Roadworthiness Baseline Survey demonstrated that new vehicles are significantly safer than older vehicles. However, because it is easier to manage compliance on new vehicles entering the market rather than vehicles that are in service, new vehicles are subject to a larger than proportionate share of the compliance effort and costs. Recent changes to legislation have tended to increase the scrutiny and compliance costs for new vehicles.

As a related issue, HVIA believes that the Chain of Responsibility (COR) legislation places a responsibility on all members of the transport chain to consider the safety features fitted to the fleets they operate or contract for Transport services. However, most of the discussion around COR tends to focus on traditional enforcement issues such as speed and fatigue. HVIA would like the legislation to more explicitly require operators to consider their fleet purchase maintenance and replacement practices as part of their Chain of Responsibility obligations.

Simplification of Heavy Vehicle Classifications and the Expansion of the Use of Notices

In relation to simplifying Heavy Vehicle Classification and expanding the use of notices, the key matters the Road managers should work on are:

- To eliminate the differences between the access approvals for PBS vehicles and the corresponding level prescriptive vehicles. This would reduce the total number of notices required and would therefore simplify the process of working out which notice applies to each vehicle category.
- In addition to guidance material for local Government there needs to be education of local government staff on the increased safety, reduced overall vehicles numbers and reduced wear and tear on road infrastructure associated with using PBS vehicles. Data on this issue was presented as part of the NTC's PBS Marketplace Report.
- Education of local Government on the use of conditions on notices to facilitate safe access should also be a matter of priority.
- The number of applications for access permits on a particular road routes and/or bridges should be used to prioritise gazettal and upgrade activities in relation to that route.
- Permits granted should be accessible in the public domain and any application that is refused must be published along with a reason for refusal. This additional transparency will lead to better outcomes for the heavy vehicle industry.

Monitoring of Costs

HVIA strongly supports the monitoring of compliance and administration costs but believes this monitoring also needs to include costs associated with the entry of new vehicles and models of vehicles into the fleet,

modification of vehicles, and vehicle inspections. This will need to include the monitoring of costs incurred under the RVSA and costs associated with the PBS scheme.

HVIA argues that these costs need to include both the direct costs and the indirect costs related to delays and rework within the existing processes. The costs associated with access approvals of new PBS vehicles also needs to be considered.

HVIA is keen to work with both the Department of Infrastructure and the National heavy vehicle regulator on establishing appropriate cost monitoring arrangements.

Conclusion

HVIA supports the suggestion in the draft report that most of the safety benefits over recent years have been driven by improvements in vehicle safety and road infrastructure. Similarly, most of the improvements in productivity have been driven by giving more productive vehicles better access to the road system by improvements in road infrastructure and vehicles.

Therefore, to achieve future safety and productivity benefits the regulatory framework needs to encourage the uptake of new vehicles. The age of the Australian heavy vehicle fleet is evidence that the current regulatory framework does not do this.

A number of the recommendations in the report will assist in simplifying the uptake of newer, safer and more productive vehicles but to address these issues properly the report needs to consider the broader interactions between the HVNL and the RVSA.