



SUBMISSION

NTC Issues Paper 5: Vehicle Standards and Safety

September 2019

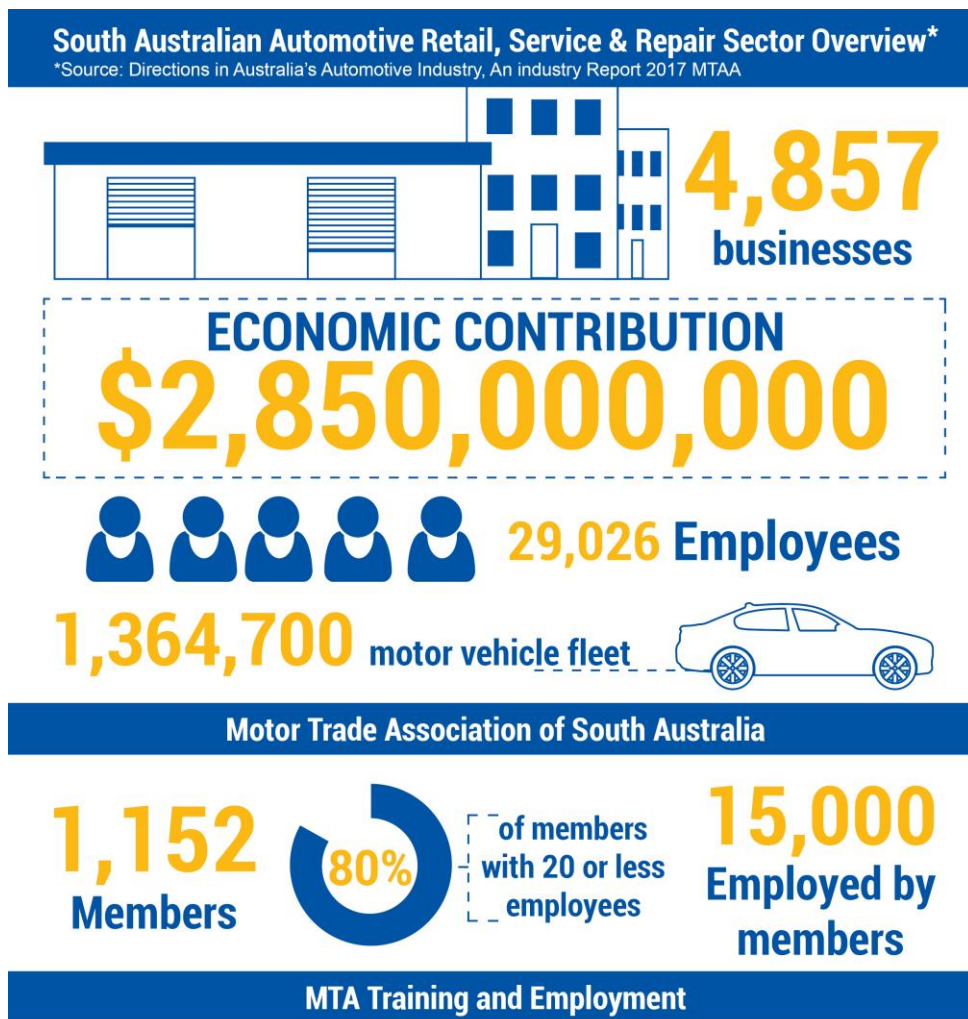
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2. About Us

The Motor Trade Association of South Australia is the only dedicated employer organisation representing the interests of automotive retail, service and repair businesses in South Australia.

The MTA Group Training Scheme comprises both our Registered Training and Group Training Organisations. It is the automotive industry's own training provider and is the largest employer of automotive apprentices in South Australia.



We currently have
over **900** apprentices
in training

We also directly employ
500 apprentices
through **240** host businesses

DIVISIONS



MOTOR TRADE ASSOCIATION

AUSTRALIA AUTOMOBILE DEALERS ASSOCIATION (SA) DIVISION



MOTOR TRADE ASSOCIATION

AUTO REPAIR AND ENGINEERING DIVISION



MOTOR TRADE ASSOCIATION

AUTOMOTIVE DISMANTLERS DIVISION



MOTOR TRADE ASSOCIATION

BODY REPAIR SPECIALISTS DIVISION



MOTOR TRADE ASSOCIATION

COMMERCIAL VEHICLE INDUSTRY ASSOCIATION (SA) DIVISION



MOTOR TRADE ASSOCIATION

FARM AND INDUSTRIAL MACHINERY DEALERS ASSOCIATION (SA) DIVISION



MOTOR TRADE ASSOCIATION

LICENSED VEHICLE DEALERS DIVISION



MOTOR TRADE ASSOCIATION

MOTORCYCLE INDUSTRY ASSOCIATION OF SA DIVISION



MOTOR TRADE ASSOCIATION

VEHICLE RENTAL DIVISION



MOTOR TRADE ASSOCIATION

TYRE DEALERS DIVISION



MOTOR TRADE ASSOCIATION

SERVICE STATION DIVISION



MOTOR TRADE ASSOCIATION

TOWING SERVICES DIVISION

3. Industry Consultation

This submission summarises the views of the MTA's members. In developing this submission, the MTA has consulted with members in the bus and coach and heavy vehicle sales, repair and transport sectors.

4. Introduction

The MTA will use this Submission to provide a response to the following National Transport Commission (NTC) Issues Paper 5: Vehicle Standards and Safety.

The MTA notes that the NTC wishes to provide everyone affected by the current Heavy Vehicle National Law (HVNL) with an opportunity to have a say on the development of a new HVNL; seeks advice on the problems identified in the Issues Papers; and seeks comment on whether the NTC has accurately and comprehensively covered the key issues.

The MTA's consultation with industry has revealed a broad support for the apparent intent of the NTC's review of the HVNL, that is, to enable more flexibility in the interpretation of the HVNL and to move away from prescriptive language.

Without flexibility, it is the MTA's observation that operators can be unduly restricted and, in some cases, the law can have the perverse effect of causing less safe decision-making.

The MTA's consultation has shown that industry supports legislation that makes the heavy vehicle industry a safer industry in which to operate. Transport operators have unreservedly expressed the view that safety is a paramount consideration in how they manage their business.

The heavy vehicle industry incorporates a wide range of operator types: including long haul transport, tow truck operators, transporters of livestock, refrigerated products transport, and bus and coach operators.

Accordingly, it is imperative that the HVNL review takes into account the unique circumstances of each type of operator and their management of safety. There needs to be the flexibility to address the differing environments in which the heavy vehicle industry operates.

5. Issues Paper 5: Vehicle Standards and Safety

The MTA notes the NTC's high-level vision for vehicle standards and safety in a new HVNL. In particular, the four draft regulatory principles to guide development of the new law:

- encouraging safer vehicles
- effective maintenance and inspection
- effective identification, repair and clearance of defects
- a common-sense approach to minor breaches

After consultation with MTA members from a broad range of sectors in the automotive industry we have chosen to address those points made in the Issues Paper that most affect them. Paragraph numbering and titles below reflect those contained in the Issues Paper.

3.1 Safer PBS vehicles face administrative barriers

The MTA concurs with the NTC's observations on barriers for PBS vehicles, with regard to restrictions on their operations and access to the road network. The heavy vehicle industry incorporates a wide range of operator types so flexibility in operations (particularly for Primary Producers where the timing of a task can often times be at the mercy of changing weather conditions) is extremely important.

Additionally, MTA Members have advised that their customers have disclosed that they have baulked at the initial cost of the PBS along with the wait time for the approval of a permit and, as a consequence, decided to consider alternative options.

3.2 There are barriers to advanced safety technology

The MTA's consultation highlighted a number of barriers that prevent operators from actively incorporating safer vehicles into their fleets. These include:

- **Cost.** Many business owners operate on very small margins and therefore choose to operate at a compliance level that satisfies legislation only. To incorporate safety mechanisms that are over and above what is required to be compliant can be seen as unnecessary and in some cases risks the viability of a business's operations.
- **Lack of understanding.** Some MTA members have expressed concern about the knowledge level of consumers when it comes to available safety technology. There can be a lack of awareness of the benefits, which leads to a lower uptake.
- **Complexity.** With increased technology come increased maintenance requirements, which, for a risk averse consumer, can be seen as

simply one more thing that can go wrong. This is particularly the case in regional areas, where access to appropriate specialised equipment and training can be problematic.

- Future viability of operations. Some operators are concerned for the future short term viability of their business so are reluctant to invest in something with perceived long term gain.

Additionally, MTA members agree with the NTC's recognition that restrictions in allowable vehicle widths are a barrier to advanced safety technology. A logical step is to allow vehicle widths of up to 2.6 metres to enable the confident purchases of vehicles that are currently on the market in Australia. In some circumstances operators purchase this type of equipment only to be frustrated at the permit process required to be allowed to operate it.

3.3 Inspection requirements and enforcement approaches vary

The MTA applauds the NTC's recognition that some authorised officers may not have the level of experience required to accurately detect the presence of real safety defects in heavy vehicles. The MTA notes the intricate technical nature of heavy vehicle mechanical technology and laments the absence of a robust education system for authorised officers. Case Study 1 of the Issues Paper explains an example where a small defect is missed initially and then picked up by an authorised officer on inspection. However, it does not provide an example where an authorised officer has been incorrect in his diagnosis of a defect, nor when a very minor defect (that could even be described as not a safety issue) has put an operator's vehicle off the road for days, thus forcing days of zero productivity for the operator. We do note that this component is noted in 3.6 but make the point that a minor, non-safety issue defect can also cause unnecessary periods of non-productivity for operators.

4.2 Effective maintenance and inspection

The Issues Paper states that *"A risk-based approach to inspections may require developing risk profiles of operators and fleets, based on vehicle registration, inspection and defect data."* In principle, the MTA supports this method.

Operators who have developed a strong, trustworthy reputation over time have earned the right to be less in the spotlight of regulators. Conversely, operators who have flouted the law and/or been cited for multiple breaches are the types of operators that need increased focus.

However, this could be a slippery slope. There would need to be sensible criteria stipulated to deem an operator as requiring increased attention. Further, a review mechanism should be in place so that an operator who may have fallen foul of the regulator may 'redeem' them self and have any additional inspection burdens removed.

4.3 Effective identification, repair and clearance of defects

One of the biggest causes of frustration for MTA members is the inefficiency experienced in returning a vehicle to service after the identification of a defect. The Issues Paper recognises this and the requirement for a common sense approach to minor breaches in its Draft Principles 3 and 4. Members are grateful for this recognition and look forward to an environment where this ideal is the norm. Currently there are instances, particularly in regional areas, where a relatively minor defect can take weeks to be cleared, simply due to a lack of resources available for an inspection.

However, even before a situation arrives at the point of clearing a defect, the process of identifying a defect is of serious concern to MTA members. A minor defect is defined as one that does not present an imminent or serious safety risk. This type of defect can then be “self-cleared”. This is a common sense approach and is applauded by industry. However, it is wide open to interpretation by authorised officers. The MTA implores the NTC to consider the qualifications, skill sets and attitude of staff tasked with the inspection and potential defecting of heavy vehicles. There should be no quotas.

The MTA questions the NTC’s statement (in paragraph 3.4) that *“to be effective deterrents, on-road and periodic inspections need to be perceived as being frequent and intense...”* and *“subject to serious consequences if non-compliant”*. Whilst the MTA supports penalties for non-compliance it is wary of too strong a hand. MTA members note the following types of occurrences and behaviours by Authorised Officers in the field:

- Desperately searching for any kind of defect on a heavy vehicle.
- When finally finding that defect, goading the operator with phrases such as “Aha! I finally gotcha!”
- Trying to defect for a minor oil weep, when moisture around the engine is a natural occurrence.
- Questioning an operator’s business practices while searching for defects.

To ensure the integrity of the inspection system, authorised officers should have a minimum qualification level which is subject to periodic update and review.

6. Next Steps

The MTA is available to provide further information in relation to this submission and to clarify any aspect of it.

This includes meeting with agency representatives and facilitating further consultations with industry on proposed changes.

7. Submission Contact

For further information relating to this submission please contact:

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