



28 July 2010

Mr Nick Dimopoulos  
Chief Executive  
National Transport Commission  
L15/628 Bourke Street  
MELBOURNE  
VIC 3000

Dear Mr Dimopoulos,

A handwritten signature in blue ink that reads 'Nick'.

The Australian Trucking Association appreciates the opportunity to comment on the three telematics discussion papers released by the National Transport Commission in June 2010. The issues raised are important for current and future operation of Australia's road freight industry.

The ATA has considered the content of the three papers, and has provided the attached policy response.

We look forward to future discussions with you on these matters.

Yours sincerely

A large, stylized handwritten signature in blue ink that reads 'Stuart St Clair'.

Stuart St Clair  
Chief Executive

**SUBMISSION IN-VEHICLE TELEMATICS**

JULY 2010



## GOALS, OBJECTIVES and AIMS

The ATA's key goals are safety and business efficiency. We support the development of sound policy that will achieve safety and productivity outcomes for road transport operators and the economy as a whole. As an industry, we seek technological innovation and appreciate the benefits it can bring to business operations.

Significant work is being undertaken by a number of government and private organisations to contribute to the discussion on technology development and infrastructure. The biggest danger with this work is the desire for a technology solution, regardless of the realistic need for technology.

An accepted view in the three National Transport Commission reports is that the current level of technology uptake has been inefficient. On page 3 of the *Draft In-vehicle Telematics Strategy*, it is stated that the road transport industry lags other industries in its technology uptake. Whilst this may be true for the uptake of telematics products, the Australian road transport industry is in fact a very fast adopter of new technology, and is in many respects much quicker in taking up innovations than our overseas counterparts. Innovations in engine technology, gearboxes, suspensions, braking systems, fuel, composite components, innovative trailers, etc are all considered closely by Australian operators seeking efficiencies, and are readily adopted where benefits are identifiable. Adoption of telematics by Australian operators has in some cases been limited to products with basic functions, where a commercial benefit is more certain.

Although uptake of telematics may be moderate, it is because businesses make sound decisions based on market information and without significant distortions. It cannot be argued that this is inefficient. Significant government involvement to stimulate change in a market is an uncertain endeavour and the case for intervention needs to be clearly made.

Regulatory intervention by governments is based on the assumption that compliance with the regulated requirement will deliver the expected outcome. This includes desirable safety, asset use and productivity outcomes.

The ATA does not support general telematics policy for the sake of it. There are numerous challenges facing industry and government (see ATC principles and challenges) that could be addressed with voluntary telematics as an aid to policy implementation. All areas require rigorous policy development. Telematics in itself is not a solution. Other attempts to substantiate the case for the forced introduction of telematics, like data collection, are secondary issues and should be considered separately. Further 'regulatory creep', such as the addition of speed monitoring with IAP on HML operations in Queensland, undermines confidence in regulators. We expect transparent policy considerations, proper assessments and faithful implementation of reforms as intended.

Similarly, at this point in time, pre-empting COAG Road Reform Project (CRRP) outcomes would be inappropriate. We also hold concerns about research conducted by commercial market supply and accreditation entities, as they may have private agendas. Future policy is wide open, the COAG Road Reform Project is examining options that have no need for on-board devices.

The objective of government and industry should be to achieve high levels of compliance to appropriate road transport laws. This should be at an efficient cost. It needs to be remembered that baseline enforcement costs should be financed from government spending. It is logical that those parties that fail to comply as part of their normal business activities, thereby demanding additional resources or imposing additional costs, should pay for these impacts.

The ATA believe the COR provisions, as originally developed by the NTC, are robust. We do not believe the laws need to be strengthened. The current issues lie with poor implementation, especially across borders, and the continued focus on 'soft' targets such as drivers and operators.

For these reasons, the ATA supports a voluntary telematics policy for heavy vehicles, where it is aimed at:

- improving compliance outcomes, in a business friendly manner;
- promoting telematics for use as compliance and business aids; and
- providing a tool that enhances the users position before the law, and does not undermine users rights.

Road transport laws already contain many aspects where regulatory efficiency and (arguably) revenue generation have displaced the broader expectations of an individual's rights, fair and equitable treatment and balanced sanctions that match the punishment to the crime. Regulations, or the implementation of regulation, should not infringe on social justice expectations.

Finally, telematics provide opportunities to enhance enforcement efficiency through better targeting of resources at 'non-adopters'. Adopters can be expected to have achieved compliance, so enforcement is all but redundant. However, the temptation to apply automated enforcement on telematics adopters should be rejected, as constrictive monitoring conflicts with rights has been shown to generate adoption resistance.

## **SUMMARY POSITION**

Currently, voluntary telematics adoption is promoted for improved safety and compliance outcomes. The ATA is cautious of any telematics policy that artificially forces adoption on the industry. The use of telematics for other agenda and policy issues, like direct charges, are not supported by industry at this stage; and these should be considered separately.

Telematics have a huge potential to benefit the community, as they can assist operators and drivers to run better businesses and support day to day decisions that achieve compliance. Regulations exist because the assumption is that compliance will deliver the desired outcome.

In many instances, the first and preferred methods to achieving compliance should be to educate, facilitate, reward and encourage. If compliance is the norm, enforcement is secondary. Regulator recognition of drivers and operators adopting telematics is a sound supportive strategy.

The continuous monitoring of all members of a group, for any non-compliance, is not a normal approach in successful democratic societies. The ATA, however, acknowledges that supervised intervention orders, applied by a Court, may well specify telematics monitoring for serious or persistent offenders with proven history of non-compliance.

The potential to introduce enforceable undertakings as a sanction alternative is supported by the ATA, as it provides an alternative where cooperation can foster a better outcome.

The ATA therefore supports the development of cooperative mechanisms with governments that allow the industry choice and the opportunity to agree on voluntary ways forward. This includes open standards that do not constrain innovation, while satisfying industry objectives. Rigorous economic assessment needs to accompany any significant telematics policy. Government and industry funds need to be invested in the most effective outcomes. If the aim is safety, investment should produce the best safety outcomes available. Productivity gains can only be achieved with efficient investments.

The ATA remains concerned around the potential human rights infringements comprehensive telematics monitoring could pose. ATA legal advice on these matters is attached, and we ask you to specifically review page 8 of the attached advice.