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| Submission to: | The Productivity Commission  |
| Title: | Regulatory Impact Analysis: Benchmarking  |
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# Introduction

The Productivity Commission state that the ‘Commonwealth has well established regulatory impact analysis (RIA) processes to guide decision makers in jurisdictions in considering proposals for new or amended regulation, with the broad objectives for ensuring that such regulation is efficient, effective and supports well functioning markets[[1]](#footnote-1).’

The ATA believes that correctly applied these RIA standards will deliver useful Regulatory Impact Statements (RIS) that will assist governments in making better decisions. However, if not followed or ignored or manipulated, the RIS process can result in decisions that disappoint stakeholders and governments alike. Therefore, the ATA believes increased accountability should be imposed on agencies to follow RIS processes and meet RIS guidelines.

The process of RIA carried out by the National Transport Commission (NTC) in reference to heavy vehicles charges in the heavy vehicle industry has not had these objectives in sight throughout the process of review of charges. Best practice and meaningful consultation were not achieved. We will use this example as the basis of our submission as we believe it is a real-life example of bad practice consultation that should have been conducted in accordance with RIA standards. It is our strong belief that had RIA standards been applied the outcomes would have been more favourable for industry.

The industry lobbied the NTC to review its heavy vehicle charges, specifically charges for a component, the A-trailer. The A-trailer fits together to create high productivity vehicles that are relatively safer, more productive, operated by higher skilled drivers and have greater environmental credentials than traditional combinations (semi-trailers and rigid trucks). For more detailed information see Attachments A and B.

The heavy vehicle industry pays a registration charge and a road user charge. The registration charge for A-trailers, which are used to make up a number of high productivity vehicles the B-double, B-triple, AB-triple and ABB and BAB Quad combinations, have increased significantly over the past 4 years.

B-double combinations have absorbed the entire freight task growth for the last 6 years. NTI states that B-doubles are the safest vehicle with them carrying 48% of the road freight but being involved in just over a quarter of all accidents.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | July 2008 | July 2009 | July 2010 | July 2011 |
| 9 axle B-double registration cost | $9,330 | $12,214 | $15,340 | $15,708 |

Industry stated that the high registration fees would lead to fewer B-doubles being used in the fleet; this has safety implications, as moving away from one of the safest combinations to using greater numbers of smaller trucks increases the incidence of accidents, and increases road wear to infrastructure. The evidence of impact of a change to smaller trucks is available in the Truck Impact Chart at Attachment A.

The National Transport Commission decided to discuss these issues with industry and agreed to find a satisfactory solution to the concerns of a decline in A-trailer use.

Since March 2011 industry has engaged with the NTC and has been as open and goal driven as possible. However, the performance and attitude of the NTC has been below the standard that is expected of a Commonwealth entity to perform in terms of RIA processes.

Actions have severely affected the industry’s trust in anything that the NTC have input to and control over. In the case of the recent charges decision the options that were presented to Ministers had no analysis of how they would affect the industry or the wider community. This failure to show appropriate impact has left industry and Standing Council on Transport and Infrastructure (SCOTI) ministers confused by the actual affects of the proposals as the process has been rushed and non-transparent in a number of ways.

# Australian Trucking Association

The Australian Trucking Association (ATA) is the peak body that represents the trucking industry. Its members include the state and sector based trucking associations, some of the nation’s largest transport companies, and businesses with leading expertise in truck technology.

# Recommendations

Recommendation 1

In future consultations government agencies should be made aware of and held accountable to their obligations set down in the Australian Government best practice of consultation handbook in a RIA process.

Recommendation 2

Stakeholders experience with agencies should be reported to final policy makers.

Recommendation 3

Material used by the NTC to be utilised for ministerial decisions should mandatorily be made public. Impacts must be assessed and reported in this material.

Recommendation 4

In regulatory review COAG principles of a seamless national economy should be adhered to.

Recommendation 5

Stakeholders should have adequate time to comment on papers for review. Consultation papers should not be realised in December with submissions due for early January.

Recommendation 6

Changes to key impacts of agency reports once released should be limited and be explained to stakeholders.

Recommendation 7

Political spin and manipulation of the facts by agencies should be kept to a minimum.

Recommendation 8

If government agencies wish to consult with stakeholders there should be an understanding that documents are provided transparently, fairly and with no malice to interest groups.

Recommendation 9

OBPR should be contacted as soon as options may require a RIS in order to have an adequate regulatory impact assessment done.

Recommendation 10

The OBPR cost calculator should be used in order to work out the costs of compliance.

Recommendation 11

A post implementation RIS should be commissioned urgently to review the effects of the changes to charges.

Recommendation 12

The Productivity Commission should recommend stronger RIS requirements with meaningful obligations on CEOs of agencies to meet these obligations. CEOs must be publically accountable for compliance with RIS obligations.

# Effects of inadequate consultation process and representation

‘The single biggest problem in communication is the illusions that it has taken place’

* George Bernard Shaw

The process to consult the heavy vehicle industry was not seen as constructive or adequate. It was unreported to the final policy makers, SCOTI ministers, that industry had a very low level of satisfaction of the consultation. Despite the ATA and industry being heavily involved, our concerns and views were ignored or misreported and errors we identified in foundation inputs not corrected.

In the final report to SCOTI, a methodology suggestion the ATA had provided with some rough input figures to demonstrate how the method might function, along with a request to work together to determine a real result for such a methodology, was presented by the NTC as a “true industry representation" of the effects of the methodology to adjust charges. It was disingenuous to formally represent this rough explanation of how the methodology was to be used as a flawed industry calculation.

In the Productivity Commission paper it is made clear that there is best practice in a RIA process, including providing information, publicly, transparently, along with regulatory proposals, in a suitable form and within adequate time to allow stakeholder input and assessment of impacts to inform and assist decision making. This was not accomplished in the NTC review of A-trailer charges.

1.

In future consultations government agencies should be made aware of and held accountable to their obligations set down in the Australian Government best practice of consultation handbook in a RIA process.

1. High level of industry engagement, low satisfaction

Industry engaged with the NTC since the beginning of the process in March 2011. The ATA, in particular, has provided a high level of analysis of inputs into the model used to determine the charges, while member associations have provided industry representation at meetings, forums and with ministers.

In 2007 during the last determination industry made it clear what the effect of increasing the price of A-trailers at such an accelerated rate would have on industry. The NTC have known about the issue since this last determination.

When public forums with the NTC were held, advance notices were not publicised beyond the state associations, the forums were by invitation only. The addition of rail interest groups at the forums (at the invitation of the NTC) to discuss a solely road freight issue was not targeting the audience which were affected by the issue. Many road freight attendees felt intimidated by the presence of rail groups. This disadvantaged the consultation, as it affected how open and transparent the discussion could be about prices, behaviour and the impact the proposed charges would have on operators and the industry.

The NTC’s determination to avoid single point broad scale consultation, and to divide the industry through multiple small group meetings with inconsistent material, was an adverse and inappropriate consultation methodology.

1.

Stakeholders experience with agencies should be reported to final policy makers.

1. Lack of transparency and consistency

Prior to 2007, there was full and open exchange of information, and both organisations had spreadsheets which operated the charges model. In this situation we were able to verify the models outputs with the NTC. This openness has not progressed and has lead to perceptions of distrust and secrecy.

The many updates to inputs, resulting charges, way forward options and methodology included in the consultation process did not make comprehension of the impact easy. On the day stakeholder submissions were due, the projected charges changed again, making analysis of the previous charges redundant. The NTC’s refusal to publish the charging model limited what analysis could be made. The ATA helped considerably to identify incorrect facts and assessment method in the first release of ESA figures, which had many failings. However, these were altered again without consultation. We have not seen the altered ESA methodology and justifications, and therefore we were not able to endorse any option that relies on this data without scrutinising the inputs.

As the charges model was not released to the public prior to an ATA Freedom of Information (FOI) request, it was impossible to know the validity of any NTC recommendations, or even those that it was recommending to ministers.

When industry set about informing ministers of the views of industry, to have any integrity, the ATA and its members had to reject all the NTC options as we could not say with any faith that the calculations were valid. Nor could we say what the effect of the options would be, as the NTC closed out industry feedback on recommendations and alterations to the model and its outcomes.

The release of the charges model showed our concerns were valid. Had transparency been provided, many challenges to inputs and assumptions would have been lodged. Even if only some of issues were addressed, the result would have been a reduced impact (less over-recovery) and more acceptable to industry. As it stands, the industry has no confidence in the charges determinations.

When a decision is made on government regulatory decisions it is vital that those decisions are based on publically available information. Limited information was made available publicly. The charges model was not released for general review, and only recently, after protracted FoI negotiations, were we able to view the charges model and understand how the charges were actually calculated. We are finding things within the charges model that we are questioning.

1.

Material used by the NTC to be utilised for ministerial decisions should mandatorily be made public. Impacts must be assessed and reported in this material.

1. Seamless national economy objectives not prioritised

With the government extolling a seamless national economy, and as the heavy vehicle industry supports all types of commerce in Australia, it has been a considerable failing that the NTC did not adhere to these agreed principles when reviewing regulation. In the work, there was no impact analysis in the paper presented to ministers, apart from state revenue effects.

‘The COAG reform agenda is intended to deliver more consistent regulation across jurisdictions and address unnecessary or poorly designed regulation, to reduce excessive compliance costs on business, restrictions on competition and distortions in the allocation of resources in the economy.’[[2]](#footnote-2)

The effects of the charges ministers agreed to vote for are only now becoming apparent as the ATA has enabled its members associations to give operators a charges calculator showing how the new charges will affect heavy vehicle operators.

Viewing the case studies of the new charges (see Attachment D) the increased costs on operators will distort productivity, put the viability of running a business in jeopardy and hugely disadvantage regional operators (even with concessions given to primary producers). The unjustified excesses of the charges outcome will disadvantage Australia and its people as transport costs will be unnecessarily inflated.

1.

In regulatory review COAG principles of a seamless national economy should be adhered to.

1. Deadline for industry response

Even though the issue was important, the public discussion and issues paper which industry could make comment on was only released in late December with 6 weeks to review it. In reality, given the Christmas break period, this gave industry around 3-4 weeks to review. Releasing the paper for review in December and expecting submissions by early January is poor timing. Interest groups are not interested in preparing responses over Christmas and this reduces the quality of response.

When charges and input figures included in the paper changed (at least five times throughout the process), it was very difficult to analyse the effects as the following week the numbers were changed with no explanation. The last public release of new numbers and inputs was on the final day of consultation. Different numbers and inputs were used in the final report and recommendations to ministers. Hence, industry did not actually know the final recommendations prior to ministers voting on the recommendations. This is unsatisfactory. Most small operators would not have the time to put resources to policy analysis and at such a hypothetical level that the NTC was discussing.

The NTC have defended the very short time frame stakeholders were given to consider their proposals because of the Office of Best Practice Regulation (OBPR) advice that altered what options could be included, as well as stating that the knock-back from the SCOTI meeting in October affected what they were able to suggest.

The NTC made their own delays – failure to resolve the identified problem, failure to disclose the nature of limited OBPR exemptions, failure to react to industry concerns about the same, failure to give industry valid, justifiable (concrete) numbers and denying release of the calculation spreadsheets (the charges model) for public review. These decisions were their own to make. The industry and community will now pay the cost of these failures and the NTC carry on regardless, unless the Productivity Commission can make recommendations for stronger RIS obligations on entities such as the NTC.

1.

Stakeholders should have adequate time to comment on papers for review. Consultation papers should not be realised in December with submissions due for early January.

1.

Changes to key impacts of agency reports once released should be limited and be explained to stakeholders.

1. Purpose of solving issue forgotten

The original objectives discussed at industry solution working groups, which included road agencies, aimed at solving the A-trailer problem; the original intentions of that consultation are obscured by what the NTC has produced. A whole separate range of other issues have been ‘fixed’ by the NTC. The solution the NTC has presented is not a short term solution, it has been an excuse to implement non-RIS’d regulatory changes onto industry that takes additional unjustified revenue.

Media releases from the NTC would suggest they accomplished solving the decline in productivity. ‘Ministers halve A-trailer registration charges'[[3]](#footnote-3). That is not the only modification to charges made; other changes have superseded the adjustment to A-trailers, meaning every single operator will be negatively impacted by the change.

We can understand ministers wanting additional revenue, but revenue take has consequences, and ministers should be made aware of these. Post regulatory impact review based upon industry request should be possible so failures or unintended adverse consequences can be raised and considered.

The problem of the decline in A-trailer use was downplayed in the issues paper and the SCOTI paper. The ATA and industry identified the negative outcomes for industry, economy and the community of a move away from high productivity vehicles. This was not mentioned in any of the papers, lessening minister awareness of the need for action. (see Attachment B). State associations also provided numerous personal case studies of operators explicitly stating what the A-trailer charge was doing to their business and livelihood.

Regulatory intervention was necessary, and it is unclear why the work did not include the wider picture of what the effect of declined A-trailer use meant in terms of productivity, safety and environmental impacts.

1.

Political spin and manipulation of the facts by agencies should be kept to a minimum.

1. ATA provided methodology misused

Since the March 2011 working groups, the ATA has provided the NTC with potential solutions to solve the A-trailer crisis. In July 2011, the ATA gave the NTC an option that lowered A-trailer charges to equal semi-trailer charges and spread the change in revenue from this action across the remaining trailer fleet as a per axle trailer charge. This was how charges have previously been calculated, with a per axle charge. We provided a methodology and figures that were rough but indicative, and given in good faith for further discussion and anticipated joint action to refine and settle.

Upon viewing the representation of the ATA model in the December issue paper, we questioned the reliability of the figures presented and therefore requested the NTC to not refer to a per axle charge as the ATA option.

In the February 2012 SCOTI paper, the original figures we provided as rough indicators of a methodology were presented as though industry thought the figures were accurate. It was a very poor representation of what the ATA provided, and was deliberately presented to discredit an option that solved the problem, and would solve it without affecting those who do not use trailers, thus isolating the effects of the reduction in A-trailers.

1.

If government agencies wish to consult with stakeholders there should be an understanding that documents are provided transparently, fairly and with no malice to interest groups.

# Independent scrutiny of RIS and RIS exemptions

A RIS would have provided appropriate cost and benefit analysis of each option proposed by the NTC. It would have allowed a balanced view to be presented that would have shown the negative and positive effects of each of the options. Compliance costs i.e. the charges would have been able to have been explored. Non-quantifiable benefits and costs would have been addressed such as safety and productivity concerns with the options.

In this case, a RIS was not undertaken due to the apparent nature of the changes to the charging system involving only minor and machinery changes. The changes are not minor, as they will have huge impact on operators. While some companies may be able to pass on the increased costs, the industry is highly competitive and normally runs on a profit margin of less than 3%.

From copies of emails received under Freedom of Information, the OBPR was not contacted when the original discussion of a RIS took place (July 2011). The NTC left the advice of OBPR too late for a RIS to be undertaken in their view. When the ATA informed the OBPR that the NTC had prematurely rated what would need and RIS and what would not, this allegedly changed the advice OBPR gave to the NTC.

OBPR expressed concerns that the consultation paper shown to industry combined different elements that did need RIS examination into single options, and had pre-judged industry’s favoured option as requiring a RIS, when it was simply reverting to an earlier system of charges. The NTC blamed the ATA’s investigation as a reason why the ATA’s per axle suggestion for solving the problem had to be dropped.

It is our strong view all of the NTC options needed a RIS because of the potential impacts. We can demonstrate an over-recovery of some $1.1 billion. This is a serious, negative impact on the economy in difficult times. We believe a sound RIS and transparent process would have avoided this damaging over-recovery.

Seeing the original criteria the NTC provided to OBPR, they were clearly wily in what they revealed as the effects of the changes they were proposing. There was less than full disclosure, and no impact estimates provided to OBPR.

‘In general terms, the more the proposed regulation impacts on business operations, and the greater the number of businesses or not-for-profit organisations that will be affected, the more likely it is that a RIS will be required.’ [[4]](#footnote-4)

The changes made will negatively affect every single operator in the industry. The NTC were given the task of fixing the A-trailer problem, but in the process of halving the charges for A-trailers, they increased all other component charges between 6%-32% and hit industry with a 10% fuel tax increase (attachment C). To think these charges do not have a measurable impact on the industry is arrogant. The wider community will be affected by this.

The NTC did not assess the likely impact of the regulation, the nature of the impacts, or the size of the impacts. While the information given to OBPR cannot be as accurate as the information given to ministers, the NTC had already made a decision on how they would charge industry, and they had already increased the cost base by $144m. Further, the NTC have erroneously included flood recovery money that industry was not meant to pay for, while most flood money has been discounted, 25% still remains in heavy vehicle expenditure to be recovered. However, not solving the A-trailer charge and increasing charges across the bar, it was obvious what effect this would have on industry.

‘The office conducts training programs to assist agencies to prepare RISs, use the Business Cost Calculator (BCC) to assess compliance costs, and fulfil other regulatory review and reform obligations. The OBPR also provides technical assistance and training to policy officers on cost-benefit analysis and risk analysis.’ [[5]](#footnote-5)

Costs and benefits should have been assessed. There was no work completed on the effects of the charges on the wider community. With the heavy vehicle industry being an ancillary service industry, costs that fall on it are passed onto customers and clients. However, the impact analysis would have identified that many operators could not pass on increases in costs due to stiff competition. This will lead to structural distress for the industry, but ultimately the community will have to pay as new players enter the field to replace those businesses that fail.

A license fee or other charges levels are indicators that count as an increased cost. Even without a RIS, this should have been looked at in the RIA.

The majority of businesses in the heavy vehicle industry are small operators and owner-drivers. The Australian Government’s Small Business Advisory Committee should have been informed.

The OBPR business cost calculator is available to agencies. This tool indicates that the NTC should have been fully aware of what their responsibilities are. If additional resources are not available to do an adequate job, this should have warned agencies to respond accordingly.

While the reduction in the cost of A-trailers will have a benefit, a cost-versus-benefit process would show an overall cost to industry. The case studies provided support this. The ATA created our own cost calculator to provide to members, in order for them to work out the effects of the new charges. The onus for calculating the effects should not have to be done out of sheer desperation by industry, this should have been done in the first instance by the NTC.

‘Where a proposal proceeds (either through the Cabinet or another decision maker) without an adequate RIS, the resulting regulation must be the subject of a post implementation review (PIR). The review must commence within one to two years of the regulation being implemented, and will be required regardless of whether or not an exemption from the RIS requirements for exceptional circumstances was granted by the Prime Minister.’ [[6]](#footnote-6)

A PIR would accurately examine the impacts of the decision and would give a perspective of the effect of the regulation. We believe the impacts which went un-examined in a PIR would show they were huge and widespread in their effects and compliance costs.

We have included email extracts with highlighted areas to show the frustration and the vague nature of the NTC justification for RIS exemption. (Attachment E).

1.

OBPR should be contacted as soon as options may require a RIS in order to have an adequate regulatory impact assessment done.

1.

The OBPR cost calculator should be used in order to work out the costs of compliance.

1.

A post implementation RIS should be commissioned urgently to review the effects of the changes to charges.

# Concerns for the future

On 18 May 2012 SCOTI voted that the NTC should carry out a new charges determination. The deadline for the completion is mid-2013. Given the failings of this projects regulatory impact analysis, confidence that the NTC can conduct a professional review in the future is at rock bottom.

In order to feel that the NTC is working with industry, there would have to be greater external review of the NTC work, by industry and road agencies taking the proper time to examine the NCT work. Many lack the in-depth knowledge required to scrutinise the charges model.

Further frustration has arisen as even after providing sufficient and supported evidence of the effects of what the charges will have on industry and the questionable inputs and process of the charges model, the NTC’s recommendations were sanctioned by the majority of Ministers.

The ATA supports the Productivity Commission examining why poorly designed regulation still exists. It is evident that it isn’t because the information and guidelines are not available, more so that government agencies appear not to be aware of their responsibilities to the public. This leaves a lack of accountability by agency CEOs as a major weakness that needs to be corrected.

Recommendation 12

The Productivity Commission should recommend stronger RIS requirements with meaningful obligations on CEOs of agencies to meet these obligations. CEOs must be publically accountable for compliance with RIS obligations.

# Attachment A - The ATA and Barkwood Consulting Pty Ltd Truck Impact Chart

The ATA and Barkwood Consulting Pty Ltd have developed a Truck Impact Chart that clearly demonstrates a number of different heavy vehicle combinations and covers GCM, payload, the equivalent standard axles (ESAs) for each vehicle combination, being the measure by which impact of a truck on the road is measured, the amount of trips required to move 1,000 tonnes of freight, the amount of fuel required to move 1,000 tonnes of freight, emissions and driver requirement. The information provided in the tables throughout this document is taken from the Truck Impact Chart.

The Truck Impact Chart has been reviewed RTA’s Senior Pavement Engineer, Ravindra Prathapa. The Truck Impact Chart has also been separately peer reviewed by Bob Pearson, Pearson Transport Resources, and was referred to by TheCIE in the Benefit/Cost Analysis for the National Heavy Vehicle Regulator draft Regulatory Impact Statement, released in February 2011.

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| E:\Public\Logos\Internal\ATA LOGO C.bmp | **Authors:** | **David Coonan - Australian Trucking Association** | BARKWOOD CONSULTING Pty Ltd |
| **Bob Woodward - Barkwood Consulting Pty Ltd.** |

This document has been prepared to assist operators and road asset managers in assessing the merits of utilising larger vehicle combinations in a transport task.

The assessment process assumes that the vehicle is dedicated to a specific task, operating travel being 50% unladen and 50% laden. The task relativities are 1000 tonnes with a lead of 1000 kilometres.

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| **Equivalent Standard Axles:** | ESA’s are calculated by the average of the sum of ESA’s for zero load (empty) plus ESA’s for 100% load and multiplied by the number of trips as required for the transport task. |
| **Vehicle tare weights:** | Are predictions based on the averages for a range of equipment within each combination category. These estimates have been reviewed by a number of operators and confirmed as being representative of “real” vehicles of the category. |
| **Fuel consumption estimates:** | Are predictions based on accumulated averages where operation is nominally 50% unladen and 50% laden. Actual consumption will vary with operating conditions. |
| **Emissions:** | Reference is based on total fuel consumption only. |
| **20 metre 7 axle Truck & Dog:** | The maximum allowable mass limits for this combination at either CML or HML (for standard combination) is 55.5 tonnes. |
| **19 metre 7 Axle B-double:** | The maximum allowable mass limits for this combination at either CML or HML (for standard combination) is 55.5 tonnes. |
| **B-triple:** | Consists of a complying B-double with an additional complying leading trailer. |
| **Converter Dolly:** | All combinations utilizing a converter dolly are configured with a tandem axle. The configured vertical imposed loading of a 6x4 prime mover is similar to the allowable imposed vertical loading of a tandem axle converter dolly. |
| **AB-triple:** | Consists of a complying B-double with an additional complying road train leading trailer and a complying converter dolly. |
| **BAB-Quad:**  | Consists of a complying B-double with an additional complying converter dolly and additional complying set of B-double trailers. |

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# Attachment B: - Work provided to NTC about Productivity, Safety and Environmental Credentials of the Industry.

**APPENDIX A**

**SAFETY CONCERNS**

Safety gains from B-doubles come from the fact there is increased stability in the B-double configuration, which makes a roll over less likely. B-doubles also travel on roads with better competence, they stay in their lane well, and have gained acceptance from other drivers.

The industry strived to improve standards and is still motivated to do so; the implementation of this registration rise is negating the effectiveness of most of the improvements that the industry has gained through adoption the safest vehicle - B-doubles. The high charge on A-trailers has adverse flow on effects into other longer, safer combinations such as B-triples, AB triples, BAB-quads and AB-quads.

Research has shown that the introduction of B-doubles saved more than 350 lives between 1990 and 2003. The number of crashes caused by B-doubles between those times showed that B-doubles were involved in 2 fatal crashes compared to 329 fatal crashes caused by single articulated vehicles over the same period[[7]](#footnote-7). These well researched figures show that a turn away from B-doubles is in contradiction to the safety aspects of the safest configuration.

A report published in the 2004 by the Commercial Vehicle Industry Association of Queensland and Truck Industry Council: *“Road safety is directly related to the number of trucks, the total travel by trucks and to the type of trucks, with B-doubles showing superior safety and contributing to less travel due to higher payloads. Any action or lack of action, that inhibits change from single articulated vehicles to B-doubles, or contributes to B-doubles becoming unviable, will certainly lead to lesser safety outcomes”[[8]](#footnote-8).*

The reduced exposure due to fewer trucks being needed to do the same task is one of the most tangible benefits of B-doubles, with a reduction in accidents due to the safer nature of B-doubles and the sheer fact that minimising the amount of truck vehicles reduces the number of incidents.

Ours and others findings on B-doubles are also supported by the National Transport Insurance (NTI) company. The NTI (2011 Major Accident Investigation Report) has compiled comprehensive evidence that the safest configuration in terms of accidents is the B-double.

The NTI states that the B-doubles are the safest vehicle with them carrying 48% of the road freight but being involved in just over a quarter of all accidents. Semi-trailers faired worst in accident statistics, representing 60.1% of accidents that occurred in 2009. The report also points out that although the proportion of semi trailers decreased, they still hold the highest proportion of accidents.

The NTI reports that B-doubles are “*newer, better maintained, with experienced highly trained drivers using the best of the road network”* compared to semi-trailers*.* One cannot argue with the facts that B-doubles are the safest combination, do the less damage to the infrastructure and therefore should not be penalised for its successes.

**APPENDIX B**

**PRODUCTIVITY CONCERNS**

Productivity will be stunted by the increase in registration fees. Productivity has been declining in relative terms compared to the past four decades since the great leaps that the introduction of B-doubles and a relaxing of limiting regulations on vehicle mass, length, access and speed contributed. With the fleet using the best of its resources, productivity gains have been modest.

Any government limitation is a step back from the innovation that once created the B-double, as the industry is best equipped to create the next productivity innovation. Lack of investment in the most productive and efficient vehicles will, without a doubt, be limited by regressive government policies.

The Department of Infrastructure and Transport published a report earlier this year that points to articulated trucks, specifically the B-double, as being the greatest source of productivity gains in the industry. It stated that less road freight vehicles were needed on the roads due to the increase in the load that B-doubles could carry, reducing the number of vehicles required on the road and making a higher profit for operators as well as lower prices for customers. Articulated trucks have increased tonne per kilometre by 150% since 1990, while the increase in actual freight vehicles on the road has only increased by 50%, with B-doubles making the majority of that gain in tonnage and vehicles on the road[[9]](#footnote-9).

Estimates on the fleet reduction (required to carry out the task) since 1990 to 2007 have stated that B-doubles can carry the same amount of freight as 1.6 semi-trailers[[10]](#footnote-10). While semi-trailers have kept a static mass limit, B-doubles have actually increased their carrying capacity in comparison due to the embracing of B-doubles in the fleet and government agencies allowing increased mass on the combination (through more axles).

Some of the largest ancillary operators in Australia expressed concern over limitations placed on B-doubles and the stalling in the approval of B-double access on Australia’s roads, and what impact this is having on productivity.

Operators such as Qantas, Woolworths and Toll have made submissions to the Department of Infrastructure and Transport regarding concerns over the urgency of allowing B-doubles access to more roads. The registration cost has had huge impact on these operators, limiting the productivity gains that B-doubles have made in the past in terms of volume and mass allowance.

If Woolworths, one of the largest companies in Australia, has made the statement that – *“These inconsistencies and complexity create additional cost, confusion and increase the compliance burden for both Woolworths and its transport supply partners.[[11]](#footnote-11)”* If Woolworths is complaining that actions to limit B-doubles is costing them money, how does the NTC think small or medium sized operators will cope with the increase in registration costs? Most will be forced to either not renew A-trailer registration, or substitute to other, less productive combinations.

With the highly competitive nature of the trucking industry, even small gains in productivity can mean hundreds of thousands of dollars investment into the trucking industry.

**APPENDIX C**

**ENVIRONMENTAL CONCERNS**

Productivity in the trucking industry affects the environmental credentials of what the industry can achieve. B-doubles have played a central role in the abatement of potential emissions the industry produced with B-doubles being responsible for a reduction of over 11 million tonnes up to 2008, which is equated to be around 50% of one year’s emissions for the trucking fleet.[[12]](#footnote-12)

Greater fuel efficiency in B-doubles is a key benefit of the vehicle combination. While the demand for road freight is only going to increase to record levels in the next twenty years, the emissions produced by the trucking industry are on a downward trajectory. Since 2000 emissions per billion tonne kilometre have reduced significantly in comparison to the rise in demand. This reduction in emissions has been attributed to smarter use of the fleet by substituting away from smaller rigid to large articulated trucks. This is because of the greater carrying capacity of the trucks and better engine and emissions technology resulting from the shift to B-doubles.[[13]](#footnote-13)

The NTC 2007 report about B-triples also indicated the massive environmental gains this combination can offer with one estimate of 60 B-doubles and semi-trailers transferring to B-triples and lowering the number of trips by one in four. This led to a fuel saving of 2 million litres per year and a reduction in greenhouse gas emissions by 5,900 tonnes of CO2 a year.[[14]](#footnote-14)

# Attachment C: Comparison of heavy vehicle charges 2011/12 – 2012/13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Component** | **2011/12 rego charge** | **2012/13 rego charge** |  **Charge Increase $** | **% change**  |
| **Short combination prime mover**  |  |  |  |   |
| 2 axle  | 1101  | 1164  | 63  | 5.7  |
| 3 axle | 4327  | 4744  | 417  | 9.6  |
| 4 axle  | 4759  | 5030  | 271  | 5.7  |
| **Multi-combination prime mover**  |  |  |  |   |
| 2 axle  | 7764  | 9457  | 1693  | 21.8  |
| 3 axle | 7764  | 9457  | 1693  | 21.8  |
| 4 axle  | 8539  | 10402  | 1863  | 21.8  |
| 5 axle  | 8539  | 10402  | 1863  | 21.8  |
| **Rigid Trucks**  |  |  |  |   |
|  2 axle: no trailer: 4.5-12t | 418  | 542  | 124  | 29.7  |
| 2 axle: no trailer: >12.0t | 718  | 859  | 141  | 19.6  |
| 2 axle: with trailer <42.5 | 1345  | 1684  | 339  | 25.2  |
| 3 axle: no trailer: 4.5-18.0t | 718  | 859  | 141  | 19.6  |
| 3 axle: no trailer >18.0t | 945  | 1021  | 76  | 8.0  |
| 3 axle: with trailer: >18.0t <42.5t | 2199  | 2671  | 472  | 21.5  |
| 4 axle: no trailer: 4.5-25.0t | 718  | 759  | 41  | 5.7  |
| 4 axle: no trailer: >25.0t | 945  | 1021  | 76  | 8.0  |
| 4 axle: with trailer: >25.0t | 3008  | 3504  | 496  | 16.5  |
| **Trailers**  |  |  |  |   |
| **Pig/Dog** |  |  |  |   |
| Single axle group  | 418  | 550  | 132  | 31.6  |
| Tandem axle group  | 836  | 1100  | 264  | 31.6  |
| Tri axle group  | 1254  | 1650  | 396  | 31.6  |
| Quad axle  | 1672  | 2200  | 528  | 31.6  |
| **Semi trailer** |  |  |  |   |
| Single axle group  | 418  | 550  | 132  | 31.6  |
| Tandem axle group  | 836  | 1100  | 264  | 31.6  |
| Tri axle group  | 1419  | 1650  | 231  | 16.3  |
| Quad axle  | 1892  | 2200  | 308  | 16.3  |
| **B-double lead/B-triple lead and middle** |  |  |  |   |
| Single axle group  | 418  | 550  | 132  | 31.6  |
| Tandem axle group  | 4130  | 2100  | -2030  | -49.2  |
| Tri axle group  | 6525  | 3300  | -3255  | -49.4  |
| Quad axle | 8700  | 4400  | -4300  | -49.4  |
| **Convertor/low loader dolly**  |  |  |  |   |
| Single axle group  | 418  | 550  | 132  | 31.6  |
| Tandem axle group  | 836  | 1100  | 264  | 31.6  |
| Tri axle group  | 1254  | 1650  | 396  | 31.6  |
| Quad axle  | 1672  | 2200  | 528  | 31.6  |
| **Articulated Combinations**  |  |  |  |   |
| 6 axle semi-trailer  | 5746  | 6394  | 648  | 11.3  |
| 7 axle B-double  | 12730  | 12657  | -73  | -0.6  |
| 9 axle B-double | 15708  | 14407  | -1301  | -8.3  |
| 12 axle B-triple  | 22233  | 17707  | -4526  | -20.4  |
| Road train: 2 trailers | 11438  | 13857  | 2419  | 21.1  |
| Road train: 3 trailers  | 13693  | 16607  | 2914  | 21.3  |
| AB-triple | 17963  | 17157  | -806  | -4.5  |
| BAB-quad | 24488  | 20457  | -4031  | -16.5  |
| **Road User Charge**  |  |  |  |   |
| Fuel tax (cpl) | 23.1  | 25.5  | 2.4  | 10.4  |
| Fuel tax credit rate | 15.0  | 12.6  | -2.4  | -16.0  |

# Attachment D: - Case Studies of the new 2012-13 charges







# Attachment E: Email extracts from OBPR and NTC – from 10/11/2011 to 14/02/2012

Please see PDF attachment.

1. Regulatory Impact Analysis: Benchmarking - Productivity Commission Issues Paper Page 3 [↑](#footnote-ref-1)
2. National Partnership Agreement to Deliver a Seamless National Economy- COAG – page 3 [↑](#footnote-ref-2)
3. <http://www.ntc.gov.au/NewsDetail.aspx?NewsId=368> 23 march 2012 [↑](#footnote-ref-3)
4. Best practice regulation handbook June 2010 - Chapter Two: The government’s regulatory impact analysis requirements Page 11 [↑](#footnote-ref-4)
5. Best practice regulation handbook June 2010 - Chapter Two: The government’s regulatory impact analysis requirements Page 24 [↑](#footnote-ref-5)
6. Best practice regulation handbook June 2010 - Chapter Two: The government’s regulatory impact analysis requirements Page 21 [↑](#footnote-ref-6)
7. Page 7 - [Trucks to Meet the Future Road Freight Task](http://www.google.com.au/url?sa=t&source=web&cd=1&ved=0CBgQFjAA&url=http%3A%2F%2Fwww.cviaq.com.au%2FPDFs%2FTrucks%2520to%2520Meet%2520the%2520Future%2520Road%2520Freight%2520Task%2520Nov%25202004.pdf&ei=sHEKTtHZFdHqmAXXqZCqAQ&usg=AFQjCNH1Qsnnpxq9PL8R7g9fI3TtCbRTlA) – Industry Issue paper presented by the Truck Industry Council and Commercial Vehicle Industry Association of Queensland – November 2004 [↑](#footnote-ref-7)
8. Page 18 - [Trucks to Meet the Future Road Freight Task](http://www.google.com.au/url?sa=t&source=web&cd=1&ved=0CBgQFjAA&url=http%3A%2F%2Fwww.cviaq.com.au%2FPDFs%2FTrucks%2520to%2520Meet%2520the%2520Future%2520Road%2520Freight%2520Task%2520Nov%25202004.pdf&ei=sHEKTtHZFdHqmAXXqZCqAQ&usg=AFQjCNH1Qsnnpxq9PL8R7g9fI3TtCbRTlA) – Industry Issue paper presented by the Truck Industry Council and Commercial Vehicle Industry Association of Queensland – November 2004 [↑](#footnote-ref-8)
9. Page 7 – Bob Pearson - A case study of B-Doubles in Australia [↑](#footnote-ref-9)
10. Page 8 – Bob Pearson - A case study of B-Doubles in Australia [↑](#footnote-ref-10)
11. Red tape derailing freight investors – June 27 2011 – the Australian – Annabel Hepworth [↑](#footnote-ref-11)
12. Page 10 - Bob Pearson - A case study of B-Doubles in Australia [↑](#footnote-ref-12)
13. 17-18 Trucking – driving Australia’s growth and prosperity – prepared by the Australian Trucking Association – August 2004 [↑](#footnote-ref-13)
14. Truck Week 21-27 February 2010 – environmental performance. [↑](#footnote-ref-14)