



28 January 2009

Chief Executive
Nick Dimopoulos
National Transport Commission
L15/628 Bourke Street
Melbourne Vic 3000

Performance Based Standards Review

Dear Nick,

Thank you for the opportunity to provide a submission to the National Transport Commissions Performance Based Standards Review.

Our submission on this matter is attached.

Should you or your staff have any questions the ATA's contact is David Coonan, telephone (02) 6253 6933 or email < coonand@atatruck.net.au >.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Coonan', written over a large, circular blue scribble.

Stuart St Clair
Chief Executive

A handwritten signature in blue ink, appearing to read 'Stuart St Clair', written over a large, circular blue scribble.

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Submission to NTC Performance Based Standards Review

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1 Summary

The well being of the Australian economy and community is underpinned by efficient road transport. The key to efficient road transport is making efficient use of the infrastructure available to operators. This requires road usage management arrangements that facilitate using the physical asset to its capacity. The road transport industry has had high expectations that Performance Based Standards (PBS) would assist efficiency on a broad scale. Currently this is not the case.

Overall the National Road Safety outcome has been compromised because road system utilisation is less than optimum, resulting in more truck travel that would otherwise occur. It is our view that this higher than ideal exposure has resulted in more crashes involving trucks. In order to continue to reduce road trauma within the growing freight task, an efficient mechanism that allows operators of trucks to access existing road network capacity is necessary.

2 Foreword

The NTC has called this review as the PBS reform currently “has not yet delivered to its potential”.

From the trucking industry’s view point we want trucks and operating arrangements that facilitate productivity and safety within national operation arrangements – that is we want same outcomes in same circumstances, with effective use of infrastructure capacity, and a process where a PBS compliance decision provides national access to the relevant road class automatically. This will allow the transport market to operate more efficiently.

3 Introduction

The driving force behind PBS was to achieve more productivity by using innovative vehicles to access hidden capacity within the existing road asset. There are two major activities in play. Assessing the asset capacity and classifying roads into categories that are matched to relevant PBS standards, and ensuring innovative vehicles pass the relevant PBS standards for the relevant road classification. The Council of Australian Governments (COAG) agreed to the industry’s request that a single national “acceptability for use” decision for PBS vehicles would be binding on the states and territories. They gave importance to achieving enhanced efficiency outcomes for road transport from the PBS reform.

PBS has the potential promised to COAG, but that potential has not been realised. This is not the road transport industry’s fault. It is however, a poor reflection on road agencies. PBS is being used as a hurdle to restrict access by those who have an asset protection viewpoint rather than an asset utilisation approach to PBS. The evidence is in plain sight, the maps provided for PBS to date do not reflect even the current networks used by equivalent vehicles. For example, the published PBS level 2A network is smaller than the existing approved routes for 26 metre B-doubles. However, the performance standards for PBS level 2A are equivalent to those achieved by 26 metre B-doubles.

4 Australian Trucking Association

The ATA was originally established in 1989 as the Road Transport Forum and is the peak national body uniting and representing the interests of the Australian trucking industry. The ATA charter is founded on improving the safety and professionalism of the industry.

Membership of the ATA's General Council comprises the peak state and sector based trucking associations, the Transport Workers' Union, some of the nation's largest transport enterprises and elected representatives of small fleet owners and owner drivers.

The ATA also convenes an Industry Technical Council to bring the manufacturer and supplier to our industry together with transport operators to discuss technical and maintenance issues and to assist the ATA to developing policies in these areas. This forum has dealt with PBS in much detail over many years.

5 General Comment

The NTC has developed the PBS approach over some years, but the road agencies have not supported this reform with timely processes to classify all roads into one of the seven road classes determined within the PBS reform. Further, the actual capacity limits of roads remain hidden and the PBS has not been successful in extracting mass related capacity limits for the road network.

Allowing existing heavy vehicles to be used more productively will produce significant safety gains simply because the exposure risk is reduced. State officials' frustration of efforts to introduce more productive use of existing vehicles either in the form of efficient but larger combinations or heavier vehicles and combinations quiet simply is adding to road trauma. The frustration we refer to is often dressed up as operational access hurdles in the form of attempts to trade enhanced access for safety add on devices or full PBS assessment of individual combinations when generic worse case engineering testing has confirmed that the "type" of combinations is PBS compliant and safe. In these circumstances the benefits are limited by the low numbers involved – whereas wide application to existing vehicles will complete set freight task with less trucks and provide a higher level of net safety due to less exposure. Trucks cannot be replaced but there are ways to allow the industry to do more with fewer trucks. Doing more with less is also a good policy for the environment. COAG has acknowledged the need to use the existing road transport fleet more efficiently.

Similarly, timely significant safety gains stand to be made in using the vehicles already in-service in ways that allow for safety and productivity to flow from that enhanced use.

Local actions with impacts on a national industry such as trucking can create large costs that are not adequately considered by many local and state based regulatory processes. We expected PBS to offer consistency and transparency to access decisions.

In a few cases, the PBS vehicle assessment standard is considered ultra-conservative as it imposes a limit that is harsher than the measure achieved by proven safe combinations in widespread use, that would be otherwise equivalent vehicles.

6 Specific Comment

6.1 Introduction – The ATA has no comment.

6.2 A Brief History of Performance Based Standards – While we can understand the way limitations on use are applied by road agencies, we do not accept that all of the limitations can actually be justified, when measured against transparent safety and asset risk management criteria. In our view many of the limitations are ultra-conservative. It is interesting that the need to classify roads against PBS standards is not drawn out more in this section, as it always was and remains a critical path issue. COAG's wish to achieve a single binding decision making process should also have been raised in this section.

6.3 Performance Based Standards Scope and Objectives – We also believe that positive experiences with vehicles under PBS should be migrated to allow more generic operation under enhancements to prescriptive regulations.

Opportunities exist to develop productivity outside PBS. COAG's objectives to raise productivity do not solely depend upon PBS. The dependant factor is a will by road agencies to deliver gains for their communities.

PBS as currently operated is in effect an application for an individual vehicle or combination. It does not cater for multiple applications by multiple operators of vehicles with acceptable performance outcomes. Nor does it cater for reasoned application of prior learning from earlier PBS assessments. The administrators of PBS appear to be unable or unwilling to take sound engineering principles of assessing worst case situation and judging other situations based upon the evidence gained.

The parallel paths of PBS and prescriptive regulations need to advance and recognise prior experience from similar operations. B-triples have operated very successfully as type 1 road trains under prescriptive regulations in several states for some years. This is not about someone picking a winner, that fact that the combination is a winner is an established fact. They are not new, they are a proven safe combination and an expectation of broader access is a reasonable expectation. Further, it is known the combination performs exceptionally well in a number of areas where PBS applies dynamic and stability measures to assess safety. The ATA worked with the NTC to run the PBS ruler over some 17 examples of B-triples which where selected to test worst case outcomes. This work shows that individual PBS assessments of modular B-triples are a waste of everyone's time and money. The current PBS networks classifications disadvantage this safer and more productive combination as there is no good fit to the existing road classification levels. Significant productivity in distributing and delivering consumer goods is being denied. In reality a significant portion of the existing 26 metre B-double network would accommodate B-triples. COAG did not require B-triple operations to be under PBS but they did recognise that a national inland network between Capital Cities was in the national interest. COAG also specifically recognised the need to maximise the use of existing fleet component units in B-triples.

While some representatives of particular transport sectors have made comments that the regulators should not "pick winners", we note these representatives represent parties who would not achieve significant gains from B-triples as their members are seeking to move multiple 40' shipping containers in urban areas. This ignores the facts that B-triples are able to be operated using existing equipment without any delay and the ATA has also

stated that a solution to allowing two 40' containers to be transported behind one prime-mover is required urgently.

We also believe this innovation needs to cater for the trends in international trade to heavier shipping containers. This requires either a mass increase or more axles than current super-B-doubles. Solutions based upon pocket road trains have been proffered but these combinations lack the benefit of complete roll coupling. The ATA has done some work in this area but current overall length limit for level 2B at 30 metres prevents the completely roll coupled combination from being promulgated by operators as it requires 30.6 metres to maximise mass when transporting 2 40' container within the spacing rules and performance envelope. It will however, allow a maximum mass of around 86.5 tonnes.

The continued inability to resolve a national position of truck-trailer mass limits has resulted in some operators seeking a PBS solution. However, they have found the resource intensive PBS assessment approach costly. They are also reworking on multiple occasions designs the industry has already provided design guidance on. This guidance is based upon large scale review of what works well and why and how to ensure suitable combinations are built. The ATA advisory procedure for truck and dog trailer combinations results in good combinations and should be accepted by agencies without the imposition of individual PBS assessments.

The parallel paths of PBS and prescriptive standards need to allow good combinations with valid applications to be used, one sector of the industry should not be held back because innovation in another is yet to find the ideal solution. Further, good solutions should not be killed off because the current PBS network rules are limiting, ideally both the network rules and the standards should be able to flexibly applied, when sound reasons apply.

6.4 Flexibility Through Performance Based Standards – There appears to be some confusion in this part of the report, as PBS does not provide concessions from the Australian Design Rules, rather, the Administrator may consider compliance plate approvals where non-compliance relates to a area where a state permit or notice that accepts controlled use of the vehicle in that condition will be available. There are no processes for additional mass on axles groups within PBS as currently constructed. Further, we do not understand the role of PBS in securing more extensive network access for a vehicle complying with prescriptive standards. We totally dismiss the need for proven combinations such as B-triples to be assessed under PBS for further network access. Prescriptive and PBS processes are parallel paths and both must continue to develop for the delivery of productivity. We note also that the prescriptive standards actually codify accepted performance and there is accounting of the performance of combinations through this process. For example, the swept path of worst case legal semi-trailer combination is around 6.83 metres (based upon long wheelbase prime-mover with maximum S dimension trailer and little rear over-hang on trailer).

While not doubting the calculations of Professor Kim Hassall, we do suggest that there is need to lift productivity to higher levels than the 5% potential attributed to PBS in that work. In our view, PBS and prescriptive standards must both perform better if the industry is to meet the increasing freight demand and community expectations about safety, energy use and emissions.

We agree that a proper classification of the network would allow investment decision to be more focused. We support strongly COAG agreement that a “binding and effective national decision-making process” is essential for a functional PBS. The lack of automatic access to classified routes is the primary reason why PBS is considered too-high of a risk by operators. Under the current model the risks of not getting the required access or the impost of local additional operating conditions (for example IAP) are simply too high for most operators to consider the PBS process as a realistic option. The lack of clear legislative powers simply adds to the uncertainty.

The intended parallel paths of PBS and prescriptive standards provide opportunities to allow access for vehicles that are better in some aspect of performance than some existing units even if full PBS compliance is not achieved on the relevant road network. For example, extending the logic driving approvals for AB-triples at 42 metres that allows them access to type one road train networks (nominal limits 36.5 metres) to expand the potential operating network. This would allow this dynamically safer combination to become more useful to more transport operators. The aim being to make the AB-triple a better choice more often than the traditional two semi-trailers and converter dolly type one road trains. This would lift both productivity and direct safety. We note that AB-triple and B-triple operation on the same routes allows the trailers of three B-doubles to be moved using only two prime-movers.

6.5 Road Network Access – Our submission so far has made the ATA’s position on road network access clear: For PBS to deliver for the industry and therefore the community, PBS route assessment must be transparent, focused on unlocking existing capacity, and facilitate automatic access at relevant PBS level where attendant PBS vehicle standards are met. There are areas of these assessments that are too hidden. Why for example is the PBS level 2 network more restrictive than the 26 metre B-double network? Some of the limits have been set without regard to how existing controls on matters like axles spacing (arising from bridge access controls) stack together. For example, PBS level 2A overall length limit would be sensibly at 30.6 metre (not 30 metres) as it allows use of sum of maximum axle group masses in more combinations. We agree that PBS levels 2B and 3A are important to productivity, especially in major freight task routes of the large urban centres, such as Sydney and Melbourne. National operating conditions must also flow with PBS local access arrangements like IAP being automatically added on by some agencies for any new access is poor policy.

Bridge assessment is raised yet again. We are becoming increasingly sceptical of some of these arguments. If a PBS vehicle complies with the prescriptive axle mass spacing schedules there should be no bridge issues. The bridges debate has been stagnate while the industry has embraced and adopted the reforms aimed to driving overloading down. This goal has been achieved. Therefore the bridge assessment process should be adjusted accordingly.

Furthermore. IAP is a niche application and it has no role in managing PBS or prescriptive vehicles, it is for the ultra-high loadings and other extreme risk situations. It is still considered by the industry to be a prototype (and therefore unproven) and really only suitable for the “UFOs” of the industry, due to its extreme costs.

The inability of agencies to relinquish control noted on 5.2.1.2 of the report typifies the failings of the reform. An alternative view that should be put is the position that ‘this agency has adopted best practice road classification criteria under PBS, applied these openly and

fairly and is now comfortable that the road assets are being used both safely and efficiently'. We believe that senior management may find this more sustainable. We note this shifts the liability of any PBS access decision into an evidence-based process away from the individual officer. Such liability disbursement is consistent with the process for approving modified vehicles.

All public roads must be classified into one of the 7 PBS classes. Classification decisions must be transparent and open to appeal by the transport industry. The ATA will argue that future road funding should be related to this task being completed. We will also argue that the PBS status of a freight route should be an important criterion when assessing funding request for road projects into the future. Which public authority owns the road is a secondary issue. Federal and State government's could appoint and fund a panel of experts to apply the PBS road classification criterion regardless of ownership.

6.6 Standards and Assessment Rules – The ATA agrees that the standards can currently preclude a PBS based vehicle which is demonstrably better than the alternative of using vehicles currently approved under prescriptive rules. Further, the roll stability standard is significantly tougher than the actual performance of many existing vehicles and legal loads. We will comment further on incremental pricing in another forum, but adequate manufacturers maximum ratings would appear to be far more important for incremental pricing than PBS. PBS assessment to engage in incremental pricing is regulatory over load, that will constrain/preclude incremental pricing from being useful in significantly reducing truck numbers for the growing freight task.

The industry's interest in productive truck trailers and the inability of agencies to resolved national operating mass limits for these combinations is the driver behind the trend for PBS applications in Victoria. It is simple, Victoria has not adopted national best practice mass limits nor will it accept proven industry guidance. Victoria has instead chosen a less efficient more costly PBS approach. We have not heard a sound argument for this approach, where is the evidence of the crash risk with the best practice vehicle combinations in use in other jurisdictions?

PBS blue prints were well intended but the tight limitations of dimensions (+ or – 10mm) and lack of real world industry input to the details like swing clearance minimums (some designs provide inadequate swing clearance) resulted in designs that could not be built or failed operational criteria. Further, some of these designs should never have been with PBS as their use safe and efficient use had been well proven. However, the primary failing was that the combination was a designated combination wherein interchange was restricted or in effect prohibited. The PBS project team failed to appreciate the degree of trailer and prime-mover interchange in the industry. The ATA modular combinations policy reflects real world demand by the majority of the industry for unit interchange in combinations.

We agree the study of worst case B-triples against PBS standards was informative and conclusive that these are a good combination and further PBS assessment of modular B-triple combinations would be wasteful. Generic high productivity vehicles and modular combinations should be operated under notice systems as B-doubles are now. However, following on from the B-triple modelling, we are happy to assist in providing real world 'worst case' data inputs for further PBS modelling of modular combinations wherein the PBS ruler would be run over modular combinations for operation on new networks providing significant additional broad scale access. However, in effect we want the

relevant PBS route map first and a serious commitment that enhanced access would automatically flow.

We agree the parked standards should be removed until effective tests can be determined. We also agree that for PBS to be feasible, generic replacement tyres and parts must be acceptable, and the provision of such allowed for in selecting input data for the modelling. PBS has suffered far too much from engineering excellence and not enough on-ground experience. An industry drive and demo day assisted NTC officers understand the practical manifestations of the PBS standards and we would be happy to assist with running a similar day for senior regulators.

Nationally, there must be a holistic approach to reviewing axle mass limits – China allows 55 tonnes on its six axle semi-trailer combinations. Australia needs to catch up. Road agencies must stop being asset protectors and become efficiency facilitators. Treasuries need to support this trade facilitation measure if Australians' are to continue to maintain or improve their current lifestyle.

6.7 Process – The ATA has made its position on the PBS process and need for improvements clear in earlier comment. Additionally we agree that manufacturer self-certification is an option worthy of exploration.

6.8 Supporting the Growth of the Scheme – The ATA has no additional comment.

7 Conclusion

Australia relies heavily on road transport for servicing basic community needs, its wealth and social well being. Productivity enhancements of significance must be realised soon if Australia is to keep pace with its trade competitors. The current global economic down turn may provide an improved focus on the importance of efficient transport services. China allows 55 tonnes on six-axle semi-trailers – PBS offers nothing that is comparable. PBS does not allow additional axle loads in any circumstances. PBS is not delivering broad scale additional access to more productive, safer, modular combinations even though these vehicles are within existing pavement and bridge loading limits (B-triple, AB-triple, BAB quad). PBS has not identified existing network capacity limits, and accordingly the road network disconnects, where strategic investment would bring significant returns. PBS carries high cost and high risks for operators because certainty of network access is lacking.

For more than 20 years asset owners have claimed infrastructure limitations at particular points as “show stoppers” to constrain regulatory review processes aimed at raising road transport efficiency. Even when significantly enhanced compliance mechanisms have been applied broad brush to the industry to ensure any overloading is curtailed, no widespread capacity gains have flowed from the asset owners.

Through a national cost recovery model the heavy vehicle industry pays the capital and maintenance expenditure arising from heavy vehicle use. From our viewpoint expenditure on up grading network choke points to improve transport efficiency is simple, if it is built we pay our fair share - therefore there is no excuse for the continued failure by governments allow efficient use of the road asset.

Unless there is a change in approach from protection to allowing road assets to be used to their capacity, the industry's only viable response to the community's demand for freight will be inefficient. Therefore, pushing transport costs up. Further it is likely more trucks will be used to provide for the growth, which in our view is undesirable on safety and environmental grounds. The NTC should encourage the Prime Minister and COAG to act to ensure asset managers adopt an approach that delivers to capacity productivity in the short term. A COAG directive to asset owners to complete network classification against PBS road classification standards by a set date is an attractive action. This process should be transparent, subject to industry review in a statutory review process. Treasuries should be required to consider freight productivity benefits when considering funding for any road project.