



AUSTRALIAN LOGISTICS COUNCIL



SUBMISSION

to the National Transport Commission on the
Draft NTC National In-Vehicle Telematics Strategy:
The Road Freight Sector

AUGUST 2010

WHO WE ARE

The Australian Logistics Council (ALC) is the peak national body for Australia's freight Transport & Logistics (T&L) industry. The aim of ALC is to influence government policy decisions to ensure that Australia has a safe, secure, reliable, sustainable and competitive freight T&L industry.

SUBMISSION TO NATIONAL TRANSPORT COMMISSION ON DRAFT NATIONAL IN-VEHICLE TELEMATICS STRATEGY

THIS SUBMISSION HAS BEEN PREPARED WITH THE
ASSISTANCE OF KM CORKE AND ASSOCIATES, CANBERRA.

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Table Of Recommendations

Recommendation 1

The overall objective of the National In-Vehicle Telematics Strategy should be to focus on:

- » safety and
- » compliance with fatigue and speed regulations.

Recommendation 2

The Strategy may need to consider the development of subsidy schemes to encourage the uptake of telematics.

Recommendation 3

Rather than supporting one of the options contained in the Strategy Document, ALC proposes the adoption of the following option:

ALC Option

The use of 'monitoring systems embracing telematics' for compliance purposes should be mandated for heavy line-haul vehicles. Under chain of responsibility rules, systems should be monitored by companies not regulators.

Recommendation 4

Once decisions have been made as to how telematics should be used, so as to reduce duplication and compliance costs all jurisdictions should be obliged to adopt **identical and nationally consistent** provisions

Recommendation 5

ALC agrees that mass regulations should be updated to provide a positive duty for managing compliance (consistent with fatigue and speed regulations)

About ALC

The Australian Logistics Council (ALC) is the peak national body for Australia's freight Transport & Logistics (T&L) industry.

ALC aims to influence government policy decisions to ensure that Australia has a safe, secure, reliable, sustainable and competitive freight T&L industry.

ALC members have interests across the full spectrum of the Australian freight T&L supply chain, including owners, providers and users of infrastructure, as well as suppliers of goods and services. Attached is a list of ALC members.

The Objectives of ALC are to:

1. Be the nationally recognised voice of the major participants in Australia's domestic and international freight T&L supply chains.
2. Support appropriate nationally consistent regulatory frameworks and transparent markets to ensure Australia enjoys the full benefits of national freight T&L policy development and reform.
3. Promote the freight T&L industry's image and profile and encourage greater recognition by governments and the community of the importance of the industry's contribution to Australia's economy.
4. Drive implementation of strategies to improve Australia's domestic and international supply chains.

Context

In fact, the most efficient supply chains worldwide leverage real-time information and ensure real collaboration between partners, whether this is within a closed-loop, across the industry, or indeed across the entire economy. Impartial industry wide Information and Communications Technology (ICT) solutions will enhance the industry's ability to deliver predictable and reliable flows of goods and people. – ALC Press Release 7 January 2010

ALC is pleased to make a submission in response to the *Draft National In Vehicle Telematics Strategy: The Road Freight Sector (The Strategy Paper)* and its accompanying discussion paper (**the Discussion Paper**).

ALC supports the development of policies and platforms designed to ensure the efficient movement of information between entities with an interest in the efficient operation of the freight Transport & Logistics (T&L) supply chain.

Publications such as the August 2010 ALC publication *Using Information and Communications Technology to Increase Productivity in the Australian Transport and Logistics Industry* have encouraged the development of suitable policies to encourage this end.

ALC generally agrees with the industry and government objectives expressed (particularly) in the Discussion Paper.

However, there must be an understanding that:

- » the market operates within the *current* framework. Any major changes to the 'system' require government leadership in collaboration with the community and industry;
- » investment in telemetry by the freight sector should always be 'benefits based' – the use of technology for technology's sake will not work in the real world of business; and
- » telematics is merely a subset of the overall ICT solution to improve the efficiency of the Australian freight chain.

Communication can be via different frequencies and access to which must be managed by the community: DSRC, GSM and GPS.

A key tool for achieving the desired safety outcomes in the Road Freight arena is the expansion of 'Chain of Responsibility', to ensure everyone from the driver, to operators and customers as well as device suppliers understand their responsibilities and are held accountable.

It is therefore in the community's interests to provide the incentives, regulatory environment and research that encourages inter-operability and can assure data validity (eg, for data from a device to be accepted in defence of a regulatory breach, that is demonstrably tamper- proof and reliable), although any rules developed must be sensible in design – they must not be set at a level so high that compliance will be impracticable to achieve in a commercial environment.

ALC Position

The NTC June 2010 *Draft National In-vehicle Telematics Strategy: The Road Freight Sector* lists three options to increase the uptake on in-vehicle telematics:

- OPTION 1** Business as Usual
- OPTION 2** Government and Industry Partnership
- OPTION 3** Strong Government Intervention

ALC notes that NTC supports *Option 2: Government and Industry Partnership* as the best method to move forward.

However, a full reading of the Discussion Paper notes an emphasis on the use of telematics for compliance issues, with lesser weight on the use of the technology for other purposes.

In that case, it is appropriate to mandate the use of monitoring systems embracing telematics.

The Bureau of Infrastructure, Transport and Regional Economics (BITRE) states that during the 12 months to the end of December 2009, 246 people died from 211 crashes involving heavy trucks or buses. These included:

- » 144 deaths from 125 crashes involving articulated trucks;
- » 81 deaths from 82 crashes involving heavy rigid trucks; and
- » 30 deaths from 27 crashes involving buses.¹

Mandatory use of 'suitable telematic systems' to ensure speed and fatigue would assist in reducing this loss of life.

ALC also notes that a cost-benefit assessment and prioritisation study of 21 vehicle safety technologies conducted for the European Commission in 2005 based on a wide range of Electronic Data Reporting (EDR) field examples and studies concludes implementing broad accident data recorder implementation led to:

- » an average reduction of collision probability of 10% for fatalities as well as for serious and light injuries;
- » benefits estimated to outweigh costs by a factor of 7 ;and
- » behaviour changes minimising the risk and severity of accidents and repair costs by up to 25%.²

ALC agrees with the combined submission of the Toll Group, Asciano and Linfox Australia. This is **attached** to this submission.

In addition, ALC makes these further observations.

Mandating the use of telematics in heavy long-haul vehicles for compliance purpose would deal with the enforcement equity concerns outlined in the case study published on page 7 of the Strategy Paper, as well as providing enhanced safety outcomes.

In recognition of this, the Strategy could require the development of subsidy schemes to encourage the uptake of telematics – something that can be used in concert with other regulatory options.³

At the very least, mandatory use of telematics should be phased in over a period of time so fleets can be gradually fitted with compliant technology.

There is a need to identify what a compliant telematic unit should record for compliance purposes.

¹ Bureau of Infrastructure, Transport and Regional Economics *Fatal Heavy Vehicle Crashes Australia* October-December 2009

² European Commission Directorate-General for Energy and Transport *Vehicle Event Recording Based on Intelligent Crash Assessment* 6 October 2009 p.39

³ OECD *Reviews of Regulatory Reform: Regulatory Policies in OECD Countries* (2002) p.137

ALC agrees with the Toll Group/Asciano/Linfox submission as to the functionality that a compliant unit should possess. A unit would:

- » be GPS enabled and would time / date / location stamp events eg over speeds, key on key off locations etc;
- » send SMS or email messages in real time to the owner of the vehicle when a potential breach occurred;
- » warn the driver that he is speeding;
- » count driving hours and warn the driver when he was approaching a limit (SDH and BFM);
- » provide traceable records;
- » have anti tampering systems e.g. It would monitor GPS speed v ECU speed and report variations;
- » record distance and time between key on and key off;
- » identify the driver – log on key or smart licence;
- » be able to Geo fence ad hoc locations;
- » provide live location via web (etcetera);
- » produce standard reports; and
- » log accident data ie capture in detail activity prior to an “incident”.

It is presumed that (ultimately) the National Heavy Vehicle Regulator will decide what functionality is required. However, so as to reduce duplication and compliance costs, all jurisdictions should be obliged to adopt **identical and nationally consistent** provisions once they are determined.

That said, Option 3 (‘Government’s move to mandated use of in-vehicle telematics based on particular technology or systems without industry input’) is too heavy-handed.

A solution may be as simple as a set of guidelines (as opposed to proprietary specifications, or detailed technical prescriptions such as those achieved as a result of the Working Time Directive of the European Union, discussed in page 19 of the Discussion Paper) that spell out what is required by users combined with standard data definitions, so those developing any enabling software take these into account.

This would avoid some of the limitations identified in the rollout of IAP discussed in page 31 of the Discussion Paper, namely:

- » the performance specification that underpins the program requires the use of systems and processes that depart from industry standards;
- » in its current application, it represents the imposition of additional operating costs(through technology changeover contracts with accredited service providers) with little or no identifiable benefit to most operators; and
- » the difficulty in obtaining the additional road network access required to obtain increased productivity and offset enrolment costs

The proposed forum, canvassed in page 28 of the Discussion Paper could:

- » identify the activities that telematics can assist; and
- » develop relevant technical guidelines.

To allow for the development of a dynamic, competitive market in compliant telematic equipment it is imperative that all relevant documentation should be freely available.

This is so equipment can be developed so industry participants (including freight chain participants with statutory Chain of Responsibility obligations) do not incur capital costs and inconvenience if obliged to carry an IAP box, a speed monitoring box and a third box used for GPS tracking, communications, e-mails etc.

However:

- » the scope of the forum will need to be tightly targeted;
- » care should be taken to ensure there is no duplication of the work being developed by the Australian Strategic Transportation Agenda for Research and Technology or (more particularly, given the small size of the Australian economy) the Institute of Electrical and Electronics Engineers (IEEE)

Moreover, rather than the concept of having 'certified equipment' from 'approved suppliers', **any** equipment meeting any relevant standards should be capable of being used as *prima facie* evidence for the purposes of compliance with both sector specific and general industry safety legislation.

Finally, ALC believes that the management of information collected by monitoring services incorporating telematics should be under the control of industry participants, so:

- » more efficient commercial practices can be developed and better safety outcomes delivered (including use of electronic work diaries where operators choose to implement them as part of their telematics system); and
- » evidence that Chain of Responsibility obligations have been discharged is available.

ALC finally recommends that the overall objective on page 4 of the strategy document should read '*Improved productivity, safety, reliability and environmental responsibility*'.

Australian Logistics Council
July 2010

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Response to the National Transport Commission's National in-vehicle Telematics Strategy

Toll Group, Linfox and Asciano are leaders in the road transport industry in Australia. The companies are at the forefront of road safety management practices, including around speed and fatigue.

There are too many heavy vehicle (HV) accidents on Australian roads. Year end Mar 09 there were 248 fatalities from accidents involving heavy vehicles, and ~30% of HV accidents are single vehicle.¹ HV drivers are not always at fault in accidents, but when a HV is involved, accidents tend to be more severe. Numerous studies have shown that major causes of HV accidents, particularly single vehicle ones, are fatigue and speed.²

Toll, Linfox and Asciano believe that the existing chain of responsibility (CoR) legislation provides a sound basis for improving road safety for both heavy vehicle drivers and those who share the roads with them. But increased company monitoring of fatigue management and speed is required to improve compliance.

Studies in Europe and the US show that introducing black boxes to monitor fatigue and speed reduce HV accidents by 20-30%, reduce the severity of the accidents and in Europe have reduced single vehicle HV accidents to ~15% (from ~50%). Cost/benefit analyses overseas have proved compelling with benefits up to 7 times costs.³

We believe it should be mandatory for companies to monitor fatigue and speed using telematics technology. We also believe it is vital to amend the current counting hour rules to make them nationally consistent.

For these reasons, Toll, Linfox and Asciano cannot support any of the three options currently being put forward by the NTC.

We are proposing that a new option (Option 4) that includes **mandating that companies use and monitor telematics technology** be developed. Option 4 should meet the following requirements.

PROPOSED OPTION 4

Regulators should look to determine the outcome not the process. There should be flexibility to allow the appropriate telematics technology to provide a broad range of both compliance and commercial benefits.

Regulators should focus on compliance and leave commercial aspects to industry.

1. The vital outcome is to improve safety and on-road behaviour by mandating an operator's management of speed and fatigue in their fleet. It is important to remember the operator and other supply chain participants already have legal responsibility for managing speed and fatigue under chain of responsibility (CoR) legislation

¹ March 2009, Department of Infrastructure, Transport, Regional Development and Local Government, Road Safety Statics

² Media release, Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government Road Safety and Productivity Package, 29 February 2009

³ January 2006, European Commission Directorate General Energy and Transport Report - "Cost Benefit Assessment and Prioritisation of Vehicle Safety Technologies", October 2009 European Commission Directorate General Energy and Transport final report - "Vehicle Event Recording based Intelligent Crash Assessment"

2. The Regulator should work to encourage the industry to embrace CoR legislation across the entire supply chain and not solely focus on the truck driver and their company
3. Self regulation – we believe that all heavy vehicles performing long distance work should have a monitoring device that assists owners and operators better manage speed and fatigue. Heavy vehicles are defined in NTC fatigue model law. Long distance work is defined in the Road Transport (Long Distance Operations) Award 2010.
4. The Regulator should not mandate a specific device
5. The National Heavy Vehicle Regulator (NHVR) should set a single national standard. State regulators should not deviate from this standard
6. The Regulator should mandate monitoring for speed & fatigue only. Anything further would delay a start up across the whole industry
7. The Regulator should amend legislation where required to allow use of electronic work diaries where operators choose to implement them as part of their telematics system
8. The Regulator will need to phase in mandatory compliance to allow all operators to fund equipment and establish thorough monitoring regimes within their businesses
9. The Regulator should take a proactive and preventative approach and not a punitive one – CoR legislation will lead to strong outcomes without the need for the regulator to be heavy handed
10. The compliance process should remain managed by the company although it should be available for external audit or accreditation such as under the National Logistics Safety Code or to the Regulator in the event of a major incident or investigation
11. Industry codes of practice are a vital part of ensuring safety in the industry and should be at the forefront of industry and regulator thinking on this issue

Minimum standards of compliance

It would be GPS enabled and would time / date / location stamp events e.g. over speeds, key on key off locations etc

It would send SMS or email messages in real time to the owner of the vehicle when a potential breach occurred

It would warn the driver that he is speeding

It would count driving hours and warn the driver when he was approaching a limit (SDH and BFM)

It would provide traceable records

It would have anti tampering systems e.g. It would monitor GPS speed v ECU speed and report variations

It would record distance and time between key on and key off

It would be able to identify the driver – log on key or smart licence

It would be able to Geo fence ad hoc locations

It would provide live location via web or other

It would be able to produce standard reports

It would be able to log accident data i.e. capture in detail activity prior to an “incident”.

Signed on behalf of Toll Group



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