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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS,
TRANSPORT AND THE ARTS

Reference: Managing fatigue in transport

WEDNESDAY, 8 DECEMBER 1999

CANBERRA

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND THE
ARTS

Wednesday, 8 December 1999

Members: Mr Neville (*Chair*), Mr Gibbons, Mr Hardgrave, Mr Hollis, Mr Jull, Mr Lindsay, Mr McArthur, Mr Mossfield, Mr Murphy and Mr St Clair

Members in attendance: Mr Gibbons, Mr Hollis, Mr Jull, Mr Lindsay, Mr McArthur, Mr Murphy, Mr Neville and Mr St Clair

Terms of reference for the inquiry:

- . Causes of, and contributing factors to, fatigue.
- . Consequences of fatigue in air, sea, road and rail transport.
- . Initiatives in transport addressing the causes and effects of fatigue.
- . Ways to achieving greater responsibility by individuals, companies, and governments to reduce the problems related to fatigue in transport.

WITNESSES

HARRIS, Ms Anne, Chief Behavioural Scientist, Royal Automobile Club of Victoria 773

KELLY, Mr John, Risk Manager, National Transport Insurance 785

Committee met at 9.15 a.m.**HARRIS, Ms Anne, Chief Behavioural Scientist, Royal Automobile Club of Victoria**

CHAIR—I declare open this inquiry into managing fatigue in transport and welcome to the table Ms Anne Harris, Chief Behavioural Scientist from the RACV. The House of Representatives Committee on Communications, Transport and the Arts is inquiring into the management of fatigue in transport. I welcome you here today and others in the public gallery. In opening the proceedings, I would like to emphasise that in addressing the terms of reference the committee has not prejudged any of the issues, nor is it on a witch-hunt. Members want to hear a full range of views and consider initiatives which have been developed, or could be developed, to better manage fatigue in transport.

Managing fatigue is a very important issue in the workplace and has ramifications for all of us. Under the terms of reference, the committee has been asked to inquire into and report to the parliament on managing fatigue in transport by focusing on four areas: the causes of, and contributing factors to, fatigue; the consequences of fatigue in air, sea, road and rail transport; initiatives in transport addressing the causes and effects of fatigue; and ways of achieving greater responsibility by individuals, companies and governments to reduce the problems related to fatigue in transport.

The committee has travelled extensively gathering evidence from a wide range of individuals, companies and unions associated with air, road, rail and sea transport. We have two witnesses on today's program, the Royal Automobile Club of Victoria and National Transport Insurance Ltd. The Royal Automobile Club of Victoria is involved in raising awareness of fatigue amongst its 1.4 million members and has been studying the issue of fatigue very closely. National Transport Insurance Ltd has developed a range of fatigue management tools for use in the road transport industry and is involved in a number of initiatives aimed at improving the management of fatigue. I would like to thank all those who have generously given their time to come here today to assist the committee in its inquiry. It promises to be a very interesting morning.

Ms Harris, don't be fazed by the fact that there are only three of us here. It is a sitting day and committee members will come and go as the day proceeds. I will introduce the three of us who are at the table: Mr David Jull is the member for Fadden in Brisbane; Mr Stuart St Clair is the member for New England in northern New South Wales; and I represent the Central Queensland seat of Hinkler.

Before proceeding, I have to caution you that although you are not under oath, committee proceedings are legal proceedings of the parliament and warrant the same respect as would attend to the House itself. The giving of false or misleading evidence is a serious matter and could be considered a contempt of the parliament. Would you like to give us a five-minute overview of your submission?

Ms Harris—Sure. RACV's submission focused on road transport, particularly focusing on passenger vehicles and drivers rather than on commercial vehicles. We represent 1.4 million Victorians and we do undertake programs, policy and advocacy, and information to our members; that is our core function.

To provide an overview, we believe that an integrated, multilevel approach is what is required to address fatigue in road transport, focusing on the areas of the road environment, behavioural and educational issues, and also vehicle design and technology. Some of the recommendations stated in our submission focused on the road environment, and looked at trying to make the road environment more forgiving if a driver is fatigued and does run off the road. This included ensuring that local governments adhere to clear zone policies and guidelines and the installation of audible line markings. We have also been working in the area of rest areas and stopping areas quite extensively. We believe that rest area facilities, their placement and signage need to be integrated into a national strategy and also that they need to be audited regularly to ensure that those facilities are suitable, and that travel and distance time information is provided to drivers so they are aware of where the rest areas are and they can plan their journeys.

In terms of vehicles, there is potential in the future for in-vehicle devices to hopefully reduce the likelihood of fatigue crashes and also to help us explain why fatigue crashes occur and learn more about them, because at the moment that area is somewhat grey. In terms of behavioural and educational issues, we believe there should be campaigns to try and change public perception about fatigue and encourage better road user behaviour in relation to fatigue, particularly campaigns that challenge biases amongst drivers that they do not feel that they are very vulnerable to fatigue, and also trying to create an awareness amongst drivers that they will not actually notice they are fatigued when they become fatigued. We believe that information needs to be widely available not only about what fatigue is and the road trauma that it can cause, but also about how to avoid and overcome fatigue. We also believe that employers have a responsibility and that we can do more work with companies to try and prevent fatigue-related injuries.

In closing my statement, I would like to draw to the committee's attention some work we have conducted in Victoria, in conjunction with the Transport Accident Commission and VicRoads, on a related issue of looking at best practice in fleet safety. That report will be finalised in the next few weeks and we would be happy to make it available to the committee. It does not focus directly on fatigue but looks at the broader issues of fleet safety. Things such as scheduling, management and information for employees is covered in that report, as is some discussion of the potential for occupational health and safety guidelines to try and improve road safety.

CHAIR—Thank you for that. We would like to compliment you on your very comprehensive submission. May we say that we are very disappointed that your colleagues in the other states have not bothered to respond to the committee's requests which have been made on a number of occasions. We see the royal automobile clubs and the NRMA as the conduit to the average motorist and if those organisations overall across Australia—not yours—are not terribly interested in the subject or in a national inquiry, it is a cause for some concern to us. However, having said that, we do not want to punish the one that has been doing the work.

You talk about a lot of things about which we have heard evidence—for example, toilets, shade areas, bins and so on at rest areas, ensuring clear zones, intelligent transport systems, cruise control and the like, the Victorian Road Safety Council with its emergency stops, the Victorian Transport Accident Commission's Powernap program, and the North Eastern

Community Road Safety Council, the Albury Road Safety Group and the Goulburn Valley Community Road Safety Council fatigue management program encouraging drivers to think of the importance of reducing fatigue. That is a great package but the question I ask you is: do you think that it is sufficiently well coordinated and channelled into the public perception? Are all those programs backed by the appropriate amount of advertising and public awareness? I know they will be in their particular pockets, but as a state-wide thing?

Ms Harris—Probably one of the only state-wide campaigns would be the TAC's Powernap campaign which received very good funding. It was a state-wide advertising campaign that was broadcast, and will continue to be broadcast, on prime time television.

CHAIR—Should the committee be recommending to government a greater awareness in bringing these campaigns to public attention?

Ms Harris—I think so, yes. The charter of the community road safety one in the north-east is to look only at their community. They recognise fatigue as an issue, because they are fundamentally along the Hume—

CHAIR—Don't be alarmed by the bells. They signal the commencement of the House at 9.30. I introduce Mr Gibbons, our deputy chairman. He is the member for Bendigo in Victoria.

Ms Harris—I think one of the issues is that different people have different responsibilities. Local councils may be responsible for the rest areas in their region so they will look after their region and put signage up in their region, but there are 78 LGAs in Victoria and there is not necessarily an integrated strategy about rest areas amongst them. There are state guidelines. Similarly with campaigns—

CHAIR—Can I just interrupt you there. We talk about three types of rest area. There are truck rest areas and there are rest areas for the general public. I am not familiar with the Victorian system, but I know the Queensland system where the Main Roads Department—sometimes councils but largely the Main Roads Department—have these leafy dells with quite nice facilities, barbecue areas, toilets, tanks and the like. Then you have what is known in Queensland and New South Wales as the 'Driver Reviver' system that you refer to here that is run by the Victorian Community Road Safety Councils where people pull up and have a cup of coffee and a Kit Kat. Which one are you referring to there or are you referring to all three?

Ms Harris—Probably more the first one that you spoke of.

CHAIR—The truck rest areas?

Ms Harris—Yes. I suppose the infrastructure—providing a space—is more the responsibility of councils and VicRoads, whether it involves a community group like SES in Victoria and the Lions Club running Driver Reviver or Operation Coffee Break, as we call it in Victoria, whether they have their—

CHAIR—Do you do those for commercial drivers as well or are they for the public?

Ms Harris—The public. Operation Coffee Break is conducted by the SES and the Lions Club. They are staffed by volunteers and offer free coffee and Kit Kats, but it is usually only on long weekends, pre-Easter, that sort of thing.

CHAIR—School holidays?

Ms Harris—Yes, that sort of thing.

Mr JULL—Overall have you found any change of attitude within the general public to the whole area of fatigue? Are people more aware of it? You mentioned something about drivers' bias; is it fair to say that it is really not regarded as a terribly serious issue by the public?

Ms Harris—I think in terms of the road safety issues we have three big ones really: speed, alcohol and fatigue. The public certainly perceive speed and alcohol to be bigger issues than fatigue. It is interesting in Victoria that the Povernap campaign that TAC ran created quite a bit of interest, I suppose because it was different information, it was a catchy phrase and it was a solution: stop and have a nap for half an hour. That was perceived differently. I personally think that people are aware that if you are tired and you fall asleep while driving you will probably crash, and people are aware that you need to have regular rest breaks, that sort of thing. But it is not nearly at the same stage as alcohol, where people know that if you drive while you are over 0.05 you are at great risk, and that is a very socially undesirable thing to do and we tend to frown on that as a society. Our mindset has changed over 20 years. It is not the same with fatigue at all.

Mr JULL—That is certainly one of my concerns; I am not sure just how well we get the message through about fatigue.

Ms Harris—We have another message we give society in terms of enforcement with speed and alcohol because we can say, 'You are doing the wrong thing and you're going to get fined or even lose your licence for driving in that manner.' We cannot do that with fatigue so that lessens the message we are trying to get—

CHAIR—It is a more nebulous thing to try to describe to the public.

Mr JULL—If that is the situation with the general public, in your opinion how much has it improved in the commercial industry and is there any specific work going on within industry groups? I guess we know about the trucks, and probably the buses, but with respect to an area like taxis, who I think probably have the potential for more fatigue than anybody, are you getting any reaction or are you making any impression with them?

Ms Harris—Not really, other than just the general messages. With taxis, and also with commercial organisations that have a fleet of vehicles, we hear and see of some very bad practices in terms of fatigue, such as expecting all regional sales managers to be at an 8 a.m. breakfast in the city which means some of them would have to get up at 4.30, or stay the night before—these time pressures. To give them their credit, some companies have come to us and asked for information and also explained some of their practices. Getting information

is the first step, trying to inform their employees is another good step, but actually having workplace practices and policies in place is really showing a commitment.

I spoke with Esso and a lot of their engineers work at Sale which is 2½ hours from Melbourne. They explained to me that they have a standing agreement that anyone coming off their rigs can stay overnight in Sale with free motel accommodation, but not all organisations are like that. They have a good safety culture in their organisation whereas others do not. Sometimes RACV does some bad things as well in terms of their practices. We need to get in at the high level of companies, get a commitment and work down.

CHAIR—You trouble me; that is the distance between Bundaberg and Gladstone in my electorate.

Mr JULL—Can I just go back to the taxi industry. I am not sure what the situation is in Victoria but are there any limits on the length of time they can drive? Is the day basically two 12 hour shifts or does anything happen?

Ms Harris—I probably could not comment. We looked at taxis in our fleet safety report that will be available soon. My impression was that it was fairly much up to the individual but I could be wrong.

Mr GIBBONS—I am from Victoria and I was driving to Melbourne the other week and there were signs on the highway that they had a police blitz under way. There was a little panel where they could put in that the blitz was on drink driving or speed and there was one on fatigue. When did that commence?

Ms Harris—There have been quite a few of those, ‘Break your drive, stay alive’, ‘Plan your trips’, and some of those are put in by local community groups. I know the RACV sponsored some—

Mr GIBBONS—But this was a Victorian police operations sign.

Ms Harris—They will certainly do that from time to time. The police are particularly concerned about the issue in Victoria because they are the ones that go to these crashes.

Mr GIBBONS—Exactly, but how would they detect it? You said before it was okay to random breath test, for example, that can detect people, and they can detect people speeding through radar guns or amphotometers. If you were a police person how would you actually determine whether somebody was fatigued if you pull them up—if you pull them up for a random breath test and they have not been consuming any alcohol but they may have been up all night?

Ms Harris—That is right, exactly, you cannot. They could have been driving for two hours and say, ‘Okay, two hours is not too long, that’s okay,’ but they may have huge amounts of fleet debt and they may not have had adequate sleep for the last three or four nights and they would be at great risk of fatigue, or they could be driving at three in the morning when normally they never get up at three in the morning and their body will just go to sleep, so they would be a great risk in that case as well. It is very difficult to determine

that. In some of our investigations of crashes when they occur there is a lot of effort put into looking at the site of the crash, at whether they were doing a right turn, at the road design, at the car, but unless we do a special study we never ask how much sleep that person had had in the last week, or for how long they were driving before the crash. The person is not around to ask but you could certainly scour that information and we generally do not do so. We do not have that information about those crashes.

Mr GIBBONS—The Centre for Sleep Research in South Australia have this computerised test where they can actually test people to determine their fatigue levels. In the age we are now in where we have very small notebook computers, do you think that will be a big assistance, for example in a road block for breath testing they could also have another item of equipment which would enable people to be tested in terms of their alertness?

Ms Harris—Certainly, and whether it is an educative method or an enforcement method, at least then you could demonstrate to someone that they were fatigued, which is a hard thing to get across. Another thing some of the police did in the north-east is that when they stopped anyone after midnight for any random thing they were doing they would give them a half price hotel voucher and say, 'How about pulling in for the night.' That was a locally organised program which I thought was a very good idea.

CHAIR—Just before we proceed, I will introduce some other colleagues: Stewart McArthur, the member for Corangamite in Victoria and Mr Colin Hollis, the member for Throsby on the South Coast of New South Wales. I just want to explore this business of roadside stops, both for heavy vehicles and for private vehicles. We have heard a bit of conflicting evidence in various spheres and we would like to hear your view on it. In Queensland the Driver Reviver stops are generally well out on the highway between centres, the argument being that it provides another opportunity for people to stop and rest. The New South Wales argument is to put them close to the towns because in pulling them up for a cup of coffee you may likely get them to stop and have a full meal, or perhaps even stay in the community which is probably better than them proceeding. What is your view on that? What is the Victorian experience?

Ms Harris—Victoria is a smaller state. We have had quite a number of comments from members saying that if you head out from Melbourne and drive for two hours there are quite a lot of rest areas. I suppose you become very city focused, but if you are driving, say, from Bairnsdale through to Geelong, there are not very many rest areas on the outskirts of Melbourne, so you get to the two-hour point and there are hardly any rest areas. It is difficult to know. I suppose you need a mix of things because people will behave differently. A smaller piece of anecdotal research also found with Operation Coffee Break that the people who stopped were not solo travellers, they were the family or the pairs travelling, and the solo traveller is probably the one you most want to get to. It looked like a bit of a party atmosphere and solo travellers did not stop so much.

CHAIR—Another proposition put to us—and I would be interested to hear your comment both from the RACV's point of view and your own opinion as a behavioural scientist—was that Driver Revivers, especially between towns, could be a bad thing insofar as they give people a false sense of security: they have stopped for a cup of coffee and had

their Kit Kat and now they think they are right for another six or seven hours. What is your view on that?

Ms Harris—There are two issues—

CHAIR—Do you think that the issue of getting them to stop, walk around and have a coffee overrides that, or that they might not have stopped at all?

Ms Harris—I asked Professor David Dinges—I think he gave evidence—what message the RACV should give people; is it stop every two hours or is it Powernap or what is it? His thoughts, and other research that we have looked at since, were that stopping every two hours is good to increase vigilance, and the driving task is often not overly stimulating, especially on long trips, and to maintain vigilance and maximum performance you need to have a stop every two hours. That is when you are feeling optimum. I suppose that is similar to what we are told in the workplace: get away from your desk every two hours, walk around, have a cup of coffee, and you will perform a bit better. So for vigilance, for better performance, and also for services to the public like having toilet breaks and that sort of thing, it is good to have the rest areas well spaced and have stops every two hours.

When you actually start to feel tired, you need to sleep. So there need to be provisions where people can pull their car up in a fairly safe, secure spot, hopefully with a bit of shade on hot days, and feel that they can have a nap for 15 to 40 minutes, or stop for the night. That is really what we need. Hopefully rest areas can provide both. That is the message that we have to try and get to people: if you are feeling sleepy and your eyes are closing, it is not enough to have a five minute cup of coffee and off you go. You could try having a ‘powernap’ for 30 or 40 minutes—there is evidence that that does help—or stop for the night, stop for the day, stop completely. They are the main messages: when you start to feel that tired the only answer is sleep.

CHAIR—Should the Driver Reviver people be trained to give that advice?

Ms Harris—I think so: the more people that are giving the same message the better. The Driver Reviver people, having information like that available at service stations, the more people saying the message the better it is.

Mr St CLAIR—With respect to the management of clear zones and policies, particularly in rural areas where you have enormous pressure being placed on councils and organisations to leave roads as wildlife corridors rather than road corridors, how do you combat that? I have seen responsible local government areas that, when building roads or widening roads, have made sure that they have removed obstacles, particularly some of the large trees, and I have seen other local government bodies who have been subjected to enormous pressure from, shall we say, the preservationists of the world to keep those large trees. In fact, in my electorate I know of one place where there is a tree as big as this table right on the edge of the road near a bend. It is asking to be hit. As the RACV, how do you manage that?

Ms Harris—When we are asked this our general response is that we have a trade-off: we decide whether the safety is more important or the beautification and that tree is more

important. When you say human life or the tree, generally you have to go with the human life.

Mr St CLAIR—Generally?

Ms Harris—I know that upsets people but it is a trade-off; you cannot say it any other way. You have to trade off in that area. If you can manage to preserve the area as best you can in terms of appropriate railings and guards, that is okay. Every area really requires different treatment and you need to look at the area on its own, but again it is a trade-off. We have arguments like that, and councils also have that pressure, and then there is the beautification, 'Let's plant trees in the middle of the median to make it look nicer.' We are always saying, 'No, don't do that, maybe low shrubs that people can go into that will actually act as a barrier, that is more aesthetic.' We have guidelines in Victoria, and that is different from regulations—getting people to adhere to those guidelines is difficult. The issue of litigation has also come up once or twice in terms of, 'Should that tree have been there?'

Mr St CLAIR—Do you still have times on your maps?

Ms Harris—Yes.

Mr St CLAIR—Is that unique to Victoria or do other states have that?

Ms Harris—Estimated travel times?

Mr St CLAIR—Queensland used to have it because of the vast distances in the outback but—

Ms Harris—We have them on our strip maps.

Mr St CLAIR—Could I pick up a map of Victoria, for example, and know how long it takes to get to Bairnsdale from Melbourne?

Ms Harris—If you have an RACV strip map we have times. We also did a campaign some years ago where we made maps from all the main places in Victoria. We called it 'Planning your drive'. We had, say, the Wodonga to Melbourne drive and put all the rest areas on the map; it was a rest area map. It was very hard to keep that up to date so we tried to incorporate that with our touring information service to ensure that it was up to date so people had that information and had a note on fatigue and planning.

Mr McARTHUR—Is that timed on 100 kilometres an hour?

Ms Harris—Depending on the roads. It is calculated at the signposted speed limit.

Mr St CLAIR—You have said there was a cooperative approach between the community and police—for example, I think you mentioned in the Gippsland, was it?

Ms Harris—Yes, the north-east.

Mr St CLAIR—We see in New South Wales there really does not seem to be any cooperation between various levels, whether it be the transport industry or the RTA, in the administration of some of these fatigue programs. How did you get over that in Victoria? In the evidence that we are taking Victoria seems to be leading the way in cooperative approaches between, for example, VicRoads, your organisation and the heavy transport industry.

Ms Harris—We have a system where we have a road safety reference group and a road safety executive group that are overseen by VicRoads. We have all interested parties come—for example, RACV, TAC, VicRoads, the Transport Workers Union, the Motorcycle Riders Association, the farmers federation, the Municipal Association of Victoria—and we sit around a table like this every two months and we have an agenda. From that reference group we have working parties set up to look at issues. That is how the fleet safety report working group was set up and that is how we did that report. There has been another working group looking at poles and roadside hazards and there will be a report on that.

We are lucky in Victoria in that we have two extremely good research organisations, Monash University Accident Research Centre and Research Board, and they are both represented on the reference group. That is an official channel and it works quite well. From that you have working groups and also informal relations—

Mr St CLAIR—Do you know whether VicRoads has a strategy on rest stops?

Ms Harris—Yes, I am sure they do.

Mr St CLAIR—Do you know whether any other state has that?

Ms Harris—I am not sure; I would imagine they should.

Mr St CLAIR—They should.

Ms Harris—I am sure that VicRoads do have a rest area strategy.

Mr St CLAIR—Thanks, Mr Chairman.

Mr McARTHUR—The federal government spent \$700 million upgrading the Western Ring Road. In recent weeks and months we have had, I think, three or four fatal accidents where vehicles have moved one direction across the median strip and hit ongoing traffic. Yesterday apparently there was a very serious accident. Do you have a particular view about the strange number of accidents on a very high quality road?

Ms Harris—I think with those cases that you are speaking about—and yesterday's was particularly tragic that we had a triple fatality with two children and their mother—yesterday's was a tyre blowout but it could be other things: sudden braking; that a vehicle swerved and ran across the median strip and into oncoming traffic, and there have been double and a triple—

Mr McARTHUR—All the evidence I have heard is there is no real reason for this taking place, it just seems to happen where vehicles run across that—

Ms Harris—There are a number of reasons why a vehicle leaves the roadway, like a tyre blowout and a range of other things, but that is when we are talking about making the road environment more forgiving. Drivers will make mistakes, tyres will blow out. In all those instances there was not a barrier between the two carriageways and there needs to be, or you have a carriageway that is enormously large. There needs to be a barrier of some description but there is a bit of an impasse in Victoria about the type of barrier we use. There is a wire rope barrier that is cheap and is appropriate in some instances. Motorcyclists feel—there is no evidence yet either way—that that could endanger the riders. There are a whole range of guidelines for this. However, we need some appropriate barrier so that if cars do leave the road they do not hit the road and bounce back into traffic, but also so that they do not go into ongoing traffic because when you are hit at 100 kilometres an hour by a truck coming the other way there are always fatalities.

Mr McARTHUR—I accept all that, but the interesting phenomenon is that on this very good stretch of road on the Western Ring Road with high traffic volumes you have cars leaving the road and going across the median strip. Do you have a view why this might take place? Is it just high volumes or fatigue coming off the Hume Highway, that they have been travelling interstate and move onto the Western Ring Road and then—

Ms Harris—Each instance is different. It could be fatigue—for instance, the Hume sees a lot of run-off road crashes, or run-off road instances that do not end in a crash because there is quite good protection along there. They could definitely be fatigue. In terms of the Western Ring Road, some of those cases are at peak hour when there are high traffic volumes and I would say that that is probably an issue to do with inattention, maybe lane changing—

Mr McARTHUR—You do not have a view on the fatigue-related possibilities? It is a classically new highway, double lane, all the new design technology has been applied to it and yet in the last three months we have had four fatalities.

Ms Harris—There are high traffic volumes on the ring road as well, but I think the difference is how forgiving the road environment is. They could have been fatigue-related crashes or there could have been other issues of run-off road and the environment was not forgiving enough to protect those drivers. That is probably more the issue. There could have been fatigue and some of them would have been—

Mr McARTHUR—RACV do not have a view on this? If you are saying the design is not right, why did we not put a barrier in the middle of the median strip if we thought this was such a problem?

Ms Harris—We have been calling for a barrier along that road.

Mr McARTHUR—The Western Ring Road?

Ms Harris—Yes.

Mr McARTHUR—What about before it was designed; did you have a view on it then?

Ms Harris—Our general policy is that the guidelines in terms of clear zones and barriers should always be followed. I am not an engineer so I was not involved in looking at the road planning, but we were involved in that. I know that Ken Ogden—who could not be here today—is an engineer and he has commented quite vocally on the need for barriers on the ring road.

Mr McARTHUR—You have plenty of views on most other things, I am surprised you have not had a view on the road barrier on the Western Ring Road if it is now such an issue.

Ms Harris—We have certainly said quite publicly for several months that there need to be improvements in terms of occupant protection along there. With respect to the Geelong Road yesterday, we called for an upgrade for that last year.

Mr McARTHUR—But you do not have any particular view on the fatigue potential of those accidents, coming off the Hume Highway? There were three articulated vehicles involved, I gather?

Ms Harris—They could be fatigue crashes, yes. I suppose what we are saying is that we need a whole range of things to prevent fatigue but when drivers do become fatigued and run off road we need a forgiving environment. As we are seeing, the Western Ring Road is not overly forgiving.

Mr McARTHUR—Thank you, Mr Chairman.

CHAIR—Are you one of the group working with Professor Wlodarski on sensor technology?

Ms Harris—I am aware of that research but, no, I am not.

CHAIR—You are the first automobile club to appear before us, so what is your view on vehicles being fitted with devices that can detect carbon monoxide and carbon dioxide, signal to the driver, and then after a certain period if the driver has not taken action the engine shuts down? What is your view on that?

Ms Harris—Some of this is related to fatigue and some of it is related to in-vehicle suicide.

CHAIR—I know the boundary blurs a bit.

Ms Harris—In a submission to the Suicide Prevention Task Force we certainly supported that sensors be developed to try and prevent those suicides occurring and also recognised that there could be some benefits for these devices in terms of fatigue alert.

CHAIR—When he took us on a demonstration run with the laptop computers on our laps we were quite surprised how quickly the oxygen level fell even around 10 or 12 blocks

of Melbourne streets. You can imagine that four or five people in a car on a hot, still day would be fatigue inducing.

Ms Harris—We have certainly supported that research through the AAA. Brian Wells was working on it and he has kept us informed and stated that it has potential benefits for both. So we support that research.

CHAIR—The fatigue assessment technology and the other things that Professor Dinges is advocating, such as that relating to the head falling forward and eye contact and so on, do you think that they should be made compulsory in work vehicles, in buses and things?

Ms Harris—As soon as that technology is ready and is of a good standard, so that we do not have too bad false alarm rates, we would certainly support that, yes.

CHAIR—Are there any further questions? Ms Harris, thank you for coming from Melbourne for this. Would you convey to your superiors our appreciation that the RACV took such an interest and also that you presented such a comprehensive and professional report. I trust we can come back to you if there are any matters that we have not dealt with. In due course you will receive a copy of the *Hansard* draft of your evidence.

[9.55 a.m.]

KELLY, Mr John, Risk Manager, National Transport Insurance

CHAIR—I welcome Mr John Kelly from National Transport Insurance. Before giving evidence, I want to caution you that, while you are not required to give evidence under oath, these are proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and can be treated as a contempt of the parliament. Would you like to give us a five-minute overview of your submission?

Mr Kelly—Yes, Mr Chairman. First of all, we support the inquiry and are fully behind what you are doing here. We welcome the opportunity to be here. From the outset, I suppose it was a good opportunity for us to come because we have some information that I do not think has come out yet through your whole inquiry. Some of the evidence that we have read in the *Hansard* has been anecdotal; we have some hard statistical evidence that is coming out of our books now. As of last week, we insured \$5.71 billion worth of capital in the country and that comprises over 71,000 vehicles.

I think at this stage I could say that we really do not focus on insurance, we focus on safety and risk management and insurance comes after that. As I think you are aware, we have developed a whole range of tools and I brought these along today to pass around and to leave with you. Craig Roseneder, who was one of our colleagues—he worked for NTI and has passed away—had been developing these in conjunction with the rest of our risk management team. The idea of this sort of technology is that we are thin on the ground in some places: we have offices in all major capital cities as well as Townsville and Newcastle, but the way that we see the education process going forward on risk management and fatigue training is through technology and that is the reason why we have gone out and developed these tools. We are not giving these tools only to our customers but they are available for the whole industry. NTI sees that we have a moral obligation in the community to actually address these problems. Thank you, Mr Chairman.

CHAIR—Thank you very much for coming. Can you give us a bit more information on NTI?

Mr Kelly—NTI is a unique company, it is actually owned by three major shareholders: AMP, Commercial Union and Royal Sun Alliance. All we insure are heavy vehicles and earthmoving.

CHAIR—How many did you say you had on your books?

Mr Kelly—We have 71,000 vehicles on our books.

CHAIR—So you have a pretty good handle on road transport?

Mr Kelly—We have been in road transport for over 10 years. All our people are road transport people and have come from the road transport industry.

CHAIR—Be as critical as you like, if you think there is some soft evidence that you have read, tell us, do not hold back, that is what we want to hear. We want your frank opinion. For example, one thing we have picked up on is that we have a lot of companies out there with very good fatigue management practices and regimes in their organisations, but interestingly, we find that, despite all being done according to Hoyle, a truck might wait three hours at the warehouse to load and then might have to queue for another three or four hours when it gets to its supermarket destination and that seven hours is not taken into the equation, which takes a lot of the credibility away from some of these so-called fatigue management programs.

On the other hand we have some other firms that have been very good—in particular, Nolans from Brisbane shared all their techniques with us. If you have some statistical evidence then we would like to flesh it out. I suppose I should ask Mr St Clair to start that part of the evidence. You might like to tell us your views on that and where you think some of the evidence given before us has been a bit on the soft side.

Mr Kelly—Can I just say first off that I do not have any of the statistical evidence here at the moment but we would make that available to you.

CHAIR—Having been in the industry, Mr St Clair probably understands it better so I might get him to handle this section of the questioning.

Mr St CLAIR—Thanks, Mr Chairman, and thanks, John. The issue on the evidence that we have taken over the period is that we seem to get evidence either from the owners of the businesses in the case of transport or from the managers of the warehouse businesses in the case of warehousing. With respect to some of the evidence that has been given to this inquiry on slot management in particular, on pushing drivers, and speed—which we will talk about in a moment if we may—how do we actually get to the truth? How do we get to the fact that we have drivers who are going into a slot management at 9 a.m. at Davids Holdings or Franklins, or wherever it is, and, for example, they have to sit there for three or four hours after that period getting shifted all the time and it is not taken into account in the driver's hours?

Mr Kelly—I think from our side of the fence we are seeing the outcome of fatigue because at the end of the day we are paying the claims. I must say that the industry needs to be congratulated over the last 10 years because we have seen a decrease, but over this last 12 months we are seeing a worrying trend on an increase.

Mr St CLAIR—Why is that?

Mr Kelly—One of the factors that we are seeing during daylight saving on the Sydney-Brisbane corridor is that customers are not taking into account that extra hour to come back from Brisbane. Their expectation is that they look at their clock and they think the freight should be there the next morning in that period. I think there needs to be a whole educational process in the supply chain of driving hours itself. One of the recommendations that we would like to see is that there be some sort of training at the end user end of transport.

Mr St CLAIR—That is the consignee-consignor end.

Mr Kelly—Yes. I have been in this industry for 30 years and I have seen the transition from whoa to go. In the early seventies we had high inflation and operators could actually push their prices up. Now we are living in the nineties which is a low inflation environment and what we are seeing is that operators have to do more kilometres to earn the same dollars because they cannot actually go to the market and lift their prices.

Mr St CLAIR—We have taken evidence and discussed in depth the fact that there needs to be some reward out there for the transport operators who are doing the right thing. I certainly believe, and I am sure most of the committee would agree, that we need heavier penalties for those who breach the legislation or regulations that are out there, but there also needs to be some reward system, and maybe that is through the insurance company. Can you give us some detail as to what you believe is happening as far as fatigue is concerned? There was a system running in New South Wales, and I think in Queensland as well, called ‘Three strikes and you’re out’. Most of us around this table would be aware of that. But nothing actually seems to be coming out of that.

We know, for example, that on the Hume Highway there is still speed involved because of the time constraints being pushed on drivers and they are tired and they are running with it. As far as NTI is concerned, can you tell us what companies have actually been in breach?

Mr Kelly—I might just go back one step back. As far as NTI is concerned, we have a group of operatives that run across the country—in other words, they are a group of customers of ours, 70-odd, that run the east coast—and they report to us, anecdotally, what is the trend on the highway. We are getting the anecdotal evidence of what the worrying trends are in freight movement up and down, who is pushing what, or in other words who’s who in the zoo. We know who the recalcitrants are, let me tell you that, and at some stage all transport operators will come across our desk for insurance. At the end of the day we balance it up to see whether that is or is not a viable risk.

With respect to the ‘Three strikes and you’re out’ and other things such as Safe-T-Cam, our recommendations are that Safe-T-Cam should become a national tool and it should be taken over by the federal government. We see Safe-T-Cam as a national asset to the highways. That is saying it a bit hard, but at the end of the day that is what we, and I think every other insurer, would like to see. Safe-T-Cam is a great tool and it is still in its infancy—

CHAIR—Could not the same thing be achieved by each state doing it and then having a cross-referencing system?

Mr Kelly—It probably could but the key to Safe-T-Cam is the one reporting point and that is what we see. As we all know, we would love to know what happens to a truck from when it leaves Perth until it arrives here in Canberra. There are some organisations and some pro-active operators out there who are actually fitting satellite tracking. We are recommending satellite tracking to most of our customers at this stage. One of them, Bunker Freight Lines, I have had the opportunity to have a look at. We are asking the satellite tracking people if they can put in an alarm for fatigue in those crucial hours between 12 and six in the morning, because statistically we see our accidents at the end of the week, between Wednesday and the weekend and mostly between midnight and dawn. It is as simple as that.

CHAIR—Can you say those again?

Mr Kelly—From our perspective in our claims analysis, we see most of our accidents happening from midnight to dawn at the end of the week, because the fatigue factor is actually catching up at the end of the week. I have personally done this myself: you will do five legs a week and by the end of the week you are fatigued. It is a natural part of the body function.

CHAIR—A bit like five days in parliament.

Mr Kelly—It probably is.

Mr St CLAIR—Can you just go back to speed for a moment and then I will finish, Mr Chairman. On the question of speeding drivers—which is a problem because they are being pushed, it is not necessarily always them—what is happening in the states? They put in the newspapers that three strikes and you are out but is that actually happening?

Mr Kelly—Bear in mind that this is our opinion, but we are actually seeing and we have talked to operators who are fairly well upfront with us and who actually say that they hide behind FIRS to actually—

Mr St CLAIR—FIRS being?

Mr Kelly—The Federal Interstate Registration System. The state of New South Wales cannot go out and prosecute anyone under Safe-T-Cam because of the FIRS legislation, I believe. That is New South Wales. I was surprised because the question should have been asked when the Roads and Traffic Authority were here—

Mr St CLAIR—We asked them what their strategy was on rest stops and they did not have any idea.

Mr Kelly—What I am actually saying is that they have an enforcement unit out there and all those statistics would be available. They would know how many infringements Safe-T-Cam captures because it pitches out exceptions every morning—they just come in and they get the list every morning. I believe that the system is actually taking over 69,000 photographs per day and is a pretty powerful tool. From an insurance point of view, we think it is pro-active. It is in its infancy and it is groundbreaking technology.

Mr McARTHUR—We had evidence before the committee that the credit agencies were a problem because of the fact that they would lend large sums of money to independent truck operators who were then forced to drive long hours to meet their commitments. As an insurance broker, would you have a view as to whether you would take on those risks, bearing in mind the financial background of the individual?

Mr Kelly—It is probably out of my field to answer that question, but my personal view is that the barriers to the industry are too easy. Even though we are driving at competition and microeconomic reform, because finance is still cheap it is possible that anyone can go

out and buy a truck, hang a sign out the front saying 'Joe Bloggs Transport' and then go down and cut your rate.

Mr McARTHUR—You must have a view on that though. If you are taking an insurance premium on a rig worth half a million surely you have done some homework on the background of that operator?

Mr Kelly—We do actually. I cannot tell you what other companies do but we look at how they are structured and how long they have been in business. We take all of those trends when we are analysing the risk and that is part of our philosophy. If it does not meet our criteria, we will not insure it.

Mr McARTHUR—So you would not chase the business if you saw a marginal single owner-operator?

Mr Kelly—If it did not meet our criteria we would not chase the risk.

Mr McARTHUR—You evaluate the risk to be high, he has all the problems.

Mr Kelly—If he has all the problems and the alarm bells are ringing for us we would not insure the vehicle.

Mr McARTHUR—What about your colleagues in the insurance industry?

Mr Kelly—Other companies have other philosophies. There are offshore insurers who actually come into the market here and the vehicles—

Mr McARTHUR—Do you think the government ought to have a look at the insurance arrangements and the credit arrangements of the trucking industry where there is evidence before us that these are contributing factors to pushing people to the edge of their fatigue possibilities?

Mr Kelly—The key to all this is viability in the industry and the industry has a responsibility to take the onus on that and sort itself out at the end of the day. But bear in mind that this industry is a price-taker.

Mr McARTHUR—You are in a position to make some judgments, you do not have to take the business, do you?

Mr Kelly—No, we do not have to take the business.

Mr McARTHUR—So you make a judgment whether it is a good risk, a fair risk or an irresponsible risk?

Mr Kelly—Yes, we do.

Mr McARTHUR—We had some evidence in the shipping industry where the shipping insurers were being very irresponsible by taking on vessels that were beyond their economic

life and taking insurance risks that were just not realistic. Would you say that is not the case in the road industry?

Mr Kelly—I will go back to the analogy that we just weigh up the risk right across the board, whether you are a new customer of ours or a customer that is renewing with us. We also look at that trend again—things could have changed over the last 12 months so we will go back. At the end of the day, we have to keep analysing our risk.

Mr McARTHUR—Just for the record, could you give us the percentage that these big truck rigs are insured at? What is the sort of premium rate?

Mr Kelly—For a brand new prime mover the insured value would be up to \$240,000, that is the vehicle. Anecdotally, I would probably say it is three per cent of that.

Mr McARTHUR—Three per cent?

Mr Kelly—Three per cent.

Mr McARTHUR—And what is the range, do you have three to five per cent?

Mr Kelly—I would not like to answer that at this stage. Bear in mind that I have not long been in the role that I am in now and am still delving back to find out what the rate used to be, but my understanding is that six or seven years ago it was around five to six per cent.

Mr McARTHUR—So it has come back.

Mr Kelly—It has come back, because there is more competition.

Mr McARTHUR—We have also had evidence that some of the companies would not take on truck drivers younger than, the figure seemed to be, 26 years of age. Do you take into account the age of the driver when you insure the—

Mr Kelly—We do. And we do actually insure some drivers under 25 years of age. We have strict criteria for radius and distance and training that have to be followed until they meet the right age. We are all in favour of drivers coming through; I must say that from NTI's point of view that we are encouraging our operators to bring younger people through because we see now that our drivers are getting older and we are going to run out of them. You only have to go to the States and see what is happening there—you only have to breathe and you can get in a truck. I remember one of my colleagues saying that he was amazed when he was over there and he pulled up to a warehouse and a vehicle pulled up and there was a changeover of drivers. My colleague asked the management what was happening there and they said, 'That's the bloke who gets in and reverses the truck in because the driver who's done the leg doesn't know how to reverse.' That is a true story and that is from a large major—

Mr McARTHUR—Do you take a driver's record into account, apart from the age of driver? Do you look at the driver fleet and say, 'Right, these drivers have a good record'; can you actually analyse that?

Mr Kelly—We do. We have the largest database of drivers in the land and we do analyse our drivers. We look for trends in the different sectors of the industry, bearing in mind that we have livestock and tippers and I must say that there are different philosophies that we use in different parts of analysing the risk.

Mr McARTHUR—Thanks, gentlemen.

Mr JULL—Just on that point, for the record would you be prepared to spell out those criteria you use in terms of who was a bad driver or a bad risk?

Mr Kelly—Yes, we would.

CHAIR—You could let the secretariat have that?

Mr Kelly—Yes.

CHAIR—Another area we wanted to explore with you was: what sort of incentives can insurance companies give trucking companies and how can those incentives be delivered? For example, is it possible to rebate certain premiums? Is it possible to have a gold, silver and bronze star rating or something of that nature whereby those who are really making an effort and really have low accident records are rewarded in some way?

Mr Kelly—We do that already. There is a system in the insurance industry right across the land where there are different policies that you can have. You can have one policy that says, 'This is your flat policy. You will pay X and you will be covered.' There is another policy where you might take one-third of the risk and we will take two-thirds. With some policies we actually write in the wording of the policy, 'If you have no claims at the end of the year we will refund you X amount of dollars.' Another thing is that we differentiate between, say, our TruckSafe operators and have different wording for our TruckSafe operators because we see that TruckSafe operators are the people who are putting in the effort, who do have the business management tools to actually reduce the risk. With respect to all these special wordings that we use, at the end of the day it is a better form of cover for the same price.

CHAIR—Are there any other questions on the insurance angle, because we have been wanting a bit of evidence on that? I think I am with SunCorp and you have a seven-year program and if you have had no accidents, or only minor accidents, in the seven years you get a certain rating and your premium is less than half of what some other people pay. But what about a trucking company? There is not a badging, so to speak, that identifies not only you but the management practices that you have put in place and which can be identified right through your company so that you are rewarded by the insurance company? There is nothing of that nature?

Mr Kelly—As I said earlier on, that is what we do, we will actually reward those operators with a certain type of policy that is above and beyond the normal policy—in other words better coverages, better extensions, the bells and whistles—and most other insurance companies now are doing that.

CHAIR—Just following up on Mr Jull's question, you said you are going to let us have the criteria but just for the record could you give us a thumbnail sketch of those criteria?

Mr Kelly—Bear in mind that our criteria are a pure risk analysis tool that we use in-house, our operator does not see it and the broker does not see it. The process is that first of all we look at depot facilities, we look at company management, company policy, their audit process, we look at the vehicle maintenance programs, whether the vehicles have been maintained, we also look at business trends, growth, expected growth. They are the sort of things that we are delving into and what we are doing is drilling down. From NTI's perspective, no major fleet will be insured until a risk analysis is done, and that has come from our senior management. That has only been put in place over the last eight months.

CHAIR—Do you get caught very often?

Mr Kelly—Not really. Sometimes there might be an alarming trend where we think, 'Hold on, there's something really bad here.' What we will do is go to the customer and we will try and offer some solutions. Our operatives will spend however long it takes because from what we see a lot of transport operators get the blinkers on and it is always good to have somebody coming in from the outside and analysing your business. That was one of the great scenarios about TruckPlus and TruckSafe: companies started to focus on their bottom line. One of the things that I was talking about last night with a colleague was that we think the GST is a wonderful thing because it is really going to get operators to focus on their costs at the end of the day. Without that they do not know where they are at.

CHAIR—What do you mean, because they have to do their books monthly?

Mr Kelly—Well, yes, and really they are going to drill down on their costs at the end of the day. I do not know whether you know or not, but at a guess I would say probably 70 per cent of the operators do not know where their costs are: they are living from month to month. All it is about is getting income in to pay the bills at the end of the month, they are not looking a bit further forward.

CHAIR—I see one of my colleagues smiling.

Mr St CLAIR—Been there, done that.

Mr HOLLIS—Can I just say something on that. I attended a seminar last Saturday run by the trucking association on the impact of the GST. As someone who did not support the GST, that was the very point that they were making there at that seminar, that first time drivers or operators will know what their actual costs are because by the very fact that they have to put in GST returns every so often they are going to have it on a spreadsheet and they are going to be able to have a run and if their returns are only two per cent or four per cent they are going to have to say, 'Hang on, something's going very wrong here.' So it is

exactly what you were saying; that is what they were saying at those GST seminars that were going on.

Mr Kelly—The alarm bells should be ringing probably in another 12 months time. From my personal view, I think that there will be a lot of operators who will go out of the industry but there is also a lot of opportunity for new operators who know their costs and business to go ahead.

Mr McARTHUR—If management asks a truck driver to do another trip—and obviously that then puts the element of risk in fatigue and stress in the whole operation—are you aware of this chain of responsibility by management concept that people are now looking at? Do you take into account that some managements push their drivers that extra trip and others act more conservatively so they keep their rig on the road?

Mr Kelly—That is part of our risk analysis process, and you will see that when we give you that. I must say from our point of view that we have not really seen anything on the chain of responsibility. I do not think that you can come to me and say, ‘Who’s been prosecuted?’ It has been around for a little while. I think at the end of the day there has to be some sort of sacrificial lamb or something like that, there has to be a bit of publicity, it has to make—

Mr McARTHUR—I have seen one case where the driver was requested to drive a long while and one of the coroners suggested there was a relationship between the orders given and the death of the driver, so it is around. Are you saying that you are taking that legal concept into account or not?

Mr Kelly—Yes, we are taking that into account, but what I am actually saying to you—and bear in mind that we insure right across Australia and we talk, like you have, to transport operators right across Australia—is that somebody out the back of Roma has no idea what has happened out the back of Victoria. This concept of chain of responsibility is a whole education process but there has been no commitment from the authorities to follow through.

Mr McARTHUR—If the courts determine they want a chain of responsibility, you gave an order in a company and somebody had a fatal workplace accident then the court might implement that.

Mr Kelly—It might implement that but at the end of the day we are yet to see that happen. I think there is one notable case in South Australia where it happened but died down. I am sure there is not a day that goes past that customers do not compromise transport operators in what they are asking them to do.

Mr McARTHUR—Is transport insurance a good sector of the industry to be in or is it too tight?

Mr Kelly—It is as hard as nails, let me tell you. We do not expect to see a turnaround, and this should ring the alarm bells, for the next 12 months. I think that we are going to see our trend moving upwards, especially on the east coast with the Olympics, the amount of

people that are going to be in the country, daylight saving being extended for seven months of this year, all these contributing factors. Overseas visitors who have been used to driving left-hand vehicles are going to arrive here and they are going to get in a right-hand drive car and then go to Cairns from Sydney. They are going to look at the map and think, 'That's only up the street,' and they are going to think that they can do any speed they want. There are a whole lot of factors in this, gentlemen, that have not been considered.

Mr GIBBONS—It sounds like a good time to go overseas.

Mr HOLLIS—Not a good time to be on the road.

Mr Kelly—From personal experience, every couple of months I still get out and drive between Sydney and Melbourne. I have taken some authorities with me, such as the Roads and Traffic Authority, to show them what is actually happening out there on the highway and enforcement is zilch. There is nothing out there at the moment.

Mr HOLLIS—When you take them there and show them what is happening, what do you show them? Do you show them that trucks that are supposed to be doing 100 kilometres are doing 120?

Mr Kelly—Obviously we are pretty thorough with this and the actual process is that we get one of our customer's trucks, we take it to the manufacturer and get it speed limited, check the speed limiter and certify it. We go empty and usually we sit on the cruise control—even though I am not a great believer in cruise control—and sit that truck on 100 and make a notation of every vehicle that passes us. I am not talking just about a couple of kilometres an hour, I am talking about some of the quick vehicles that are out on the highway at this stage, and without a doubt there are still some quick ones out there.

Mr HOLLIS—What do the authorities say after the trip?

Mr Kelly—They are amazed and they always go back saying, 'We need to do something about this.' But I think I picked up on the point, Mr Chairman, you made before that there seems to be no cohesion between the enforcement people on the ground and the people who are actually making the policy.

Mr McARTHUR—As an insurer, why were you encouraged to undertake this test, to do this bit of activity?

Mr Kelly—It is part of our relationship building. The key to our business is knowing what the coalface is about. We could sit up in our nice offices and just do it like in the old days where—

Mr McARTHUR—Let me reverse the question: you have the evidence, you took some friends from the authorities to have a look at all these trucks running quickly, what did you do about it as an insurance industry?

Mr Kelly—We made a notation of what was actually happening out there on the night and should one of those vehicles, or company vehicles, pass across our desk for an appli-

cation to insure we would make a notation of that. That is a commercial decision and we would have to do it.

Mr McARTHUR—So you are taking your own evidence that a number of vehicles passed you on that occasion, you identified the company and the number and said, ‘Look, we’re not too happy with you, we mightn’t insure you.’ Would you circulate that information amongst—

Mr Kelly—No, it is very much in-house and we would never circulate that information.

Mr McARTHUR—Why would that be in-house if it is a public risk and public information?

Mr Kelly—I would not like to answer that at this stage, thank you.

Mr HOLLIS—It is commercial-in-confidence.

Mr Kelly—Commercial-in-confidence.

Mr LINDSAY—Mr Kelly, going back to your earlier evidence about Safe-T-Cam and that you think Safe-T-Cam is a very good system, it is currently not across Australia. Secondly, the industry can avoid Safe-T-Cam if it chooses to; is that right?

Mr Kelly—It has been able to avoid it until the last couple of months but there have been some changes in the operation of Safe-T-Cam. You used to be able to avoid Safe-T-Cam by leaving your headlights on and turning all your clearance lights off, that was the normal thing. The operators of this are now putting in thermal cameras where the sensors are running off the heat of the radiator and the avoidance issue seems to be becoming less and less all the time.

Mr LINDSAY—The other way that you avoid it is in fact by not passing through a Safe-T-Cam.

Mr Kelly—That is right, and one of the things that I have noted is the amount of traffic coming out of the Olympic Way, from Victoria—

Mr LINDSAY—What I am leading to is that you have also given us evidence about the significant number of rogues that are out there and you have given us evidence that there is little enforcement in trying to catch these rogues—

Mr Kelly—That is a resources issue as far as—

Mr LINDSAY—Yes, but I am coming to this: would your industry support a mandated satellite tracking system where it is mandatory for every heavy vehicle to carry its satellite tracking so that they just cannot avoid the authorities or the industry or whoever knowing what journey and over what time and that therefore the truck was—

Mr Kelly—From an insurance perspective we would support that because at the end of the day that would be a perfect world.

Mr LINDSAY—It is, isn't it. It covers the whole country automatically now. The technology is available; as I understand it, it is not expensive—

Mr Kelly—No, it is not expensive.

Mr LINDSAY—So your evidence to us would be that the government should consider mandating a satellite tracking system on all heavy vehicles in Australia with some authority to monitor the distances and times to see who is driving too fast and why?

Mr Kelly—That would be our recommendation. We would support that, from NTI's perspective anyway.

Mr GIBBONS—How much would that cost?

Mr Kelly—There is a system at the moment, and I will mention its name because I think you might have actually heard about it, gentlemen. It is called CTrak. It is running at about \$2,500 per unit, which is a cheap investment these days for a unit for a truck that is worth \$270,000. I think the maintenance fee per year to drill down on the maps is about \$1,200 a year.

Mr GIBBONS—So about \$4,000 a year per vehicle?

Mr Kelly—No, \$2,500 just to set the thing up and then once you have it all in it is \$1,200 per year. At the end of the day it is a cheap investment and it also satisfies a whole lot of needs, especially the customer's needs.

Mr GIBBONS—It is relatively cheap for a big transport company but if you are an owner-operator with a huge mortgage and a pretty heavy payment schedule it is a lot of money.

Mr Kelly—I think that is where we come back to the entry into the industry: I think it is too easy to get in.

Mr GIBBONS—So what do we do with the people who are already in there with huge mortgages and huge repayment schedules?

Mr Kelly—I think there will be natural attrition there, considering the GST coming across and the impact of that in the first 12 months.

Mr McARTHUR—What, that they will see the true figures and see that they are not making any money?

Mr Kelly—They will see that they are not making any money and they will either increase their rates or they will do the opposite: they will want to do more kilometres.

CHAIR—Just on that point, you say it has been a tough year and there are some disturbing trends coming out of a tough year. Are you saying that companies needing to drive more kilometres has led to higher levels of driver fatigue, or do you think that they are recognising the problem of fatigue and are just doing the miles anyhow with different drivers? Is there an element of driver fatigue in that disturbing trend you see?

Mr Kelly—From a claims point of view, we have actually set up a register that is identifying fatigue in our claims and we will have that evidence within the next couple of months. It will give us a 12-month trend of where we are going and what we are doing. We are seeing a huge increase in single vehicle accidents, as the committee is probably aware.

CHAIR—So fatigue would be the chief suspect there?

Mr Kelly—Because of the infrastructure of the roads and because of dual carriageway, whereas before if we had two trucks coming, or a car and truck, it would be a head-on accident or something like that. Because the vehicles are now separated we are seeing vehicles just run off the road and we are seeing it as fatigue related. That is what we are identifying and we need to drill down. I must say to the committee that one of the things that we do see is that the education process with fatigue is a key to our industry's viability.

Mr McARTHUR—Is it actually happening? Are you finding that people are aware of this whole fatigue argument?

Mr Kelly—They are now, especially the younger generation. Just to give you another idea, I brought some photographs over for the committee to have a look at. We also do things such as march across the country with different state authorities in an education process. I am on one of these on Monday with the New South Wales parliamentary secretary for roads, going across into the regional areas. One of the things we see is that country people seem to know what fatigue is about but our city operators do not.

CHAIR—What do you think of this idea of the Guyra council encouraging drivers to set up in Guyra so that you do not have people living in the city, going out to the country and coming back to the city; rather, that they live in the country, do a trip to the city and come back to the country?

Mr Kelly—For the record, Mr Chairman, I was the one who actually approached the Guyra council on that so you have put me in a pretty precarious position.

CHAIR—You obviously like the system.

Mr Kelly—I did like the system; it was a really good system. Can I just mention one thing, because I suppose we are going to run out of time—

CHAIR—What I would like you to do in your wind-up is tell us what you think is the solution to this problem. We have talked around the subject but if you were making a recommendation to us what would it be?

Mr Kelly—First of all, we see the key as being that the education process in fatigue is for all road users—not just for the heavy end, because they all interact; it is part of that sharing the road philosophy. The second recommendation that we would like to see would probably be Safe-T-Cam to go across the nation and be operated with one central reporting point where the information is dispersed back to the states. The third and final point is that from our perspective we would like to see more rest areas, and I must commend Victoria on their rest areas, I think they have one of the best systems running.

CHAIR—Are you talking about truck rest areas?

Mr Kelly—Truck rest areas, and probably this recommendation we would like to see follow on out of the Guyra principle. At the end of the day we would like to see those super truck stops set across the nation in strategic points. That is why we picked Guyra, because it was dead halfway between Sydney and Brisbane. The other thing about picking Guyra was that a driver could change over and be back with his family the next day, and surprisingly enough, gentlemen, in some of our surveys that we have done about driver acceptance to the job, that was a key. Rest areas should be commercialised, there should be some sort of commercialism in a rest area where I go in there, I want to be able to get a hot cup of coffee and have toilet and shower facilities, and we can only do this through private enterprise. That is the reality of it. The days of a road authority just tacking a bit of bitumen off the side should be gone—it should be outlawed, actually.

CHAIR—So you are saying that if there is not a service station every two hours in that area there should be a pullover area with shade, a toilet, and perhaps some limited—

Mr Kelly—There are probably some good entrepreneurs out there who would love to have the opportunity, and at the end of the day it would probably create some revenues for some states anyway.

Mr McARTHUR—Why are the young blokes interested in fatigue?

Mr Kelly—I think that our younger drivers are actually educated better than we were in our early days. They are taking more notice of what actually happens around them and they are keen to learn. In our early days I can remember our trucks used to have 300 horsepower; now we can get in a truck that has 650 and you do not change one gear all night. It is as simple as that. It is like computers and technology: I think our younger generation is coming up and that is why NTI are developing our CD-ROM materials and a whole range of other—

Mr McARTHUR—So from this committee's point of view you are quite encouraged that the younger drivers are aware of this whole fatigue issue and they are looking at it and they are keen to learn about the practice. That is encouraging from this committee's point of view.

Mr Kelly—It is encouraging from our point of view too.

CHAIR—On that note I am afraid we are going to have to wind up. On behalf of the committee, I would like to thank you in particular, Mr Kelly, and the people in the public gallery who have assisted today. I am sure it has been very helpful. We are coming to the

end of our inquiry and your evidence was particularly helpful. I now declare this public hearing closed.

Resolved (on motion by **Mr St Clair**):

That this committee accepts as evidence and authorises for publication submission No. 108 into its inquiry into managing fatigue in transport, namely, that of Mr John Kelly.

Resolved (on motion by **Mr Hollis**):

That this committee authorises the broadcasting of this public hearing and the publication of the evidence given before it at public hearing this day.

Committee adjourned at 10.42 a.m.

