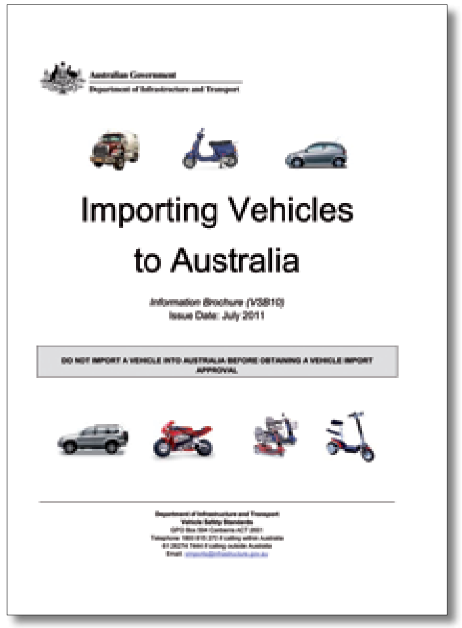
Truck imports

Many operators express an interest in importing new or used trucks directly into Australia. The relatively strong value of the Australia Dollar seems to make it financially attractive to by trucks overseas and have bodies fitted before the truck is imported into Australia, bypassing Australian suppliers and body builders. However, there are significant unseen costs, difficulties and risks involved.
Firstly, the only safe way to proceed is to obtain an import approval from the Vehicle Imports Section of the Federal Department of Infrastructure and Transport before committing to the purchase. Importation of road vehicles into Australia is highly regulated. No vehicle can be released from the docks without a specific written vehicle import approval. If the vehicle stays on the docks due to pending resolution of the approval, the cost could be up to $400 per day. Assuming this charge is avoided, import duties and shipping costs will arise.
The ways in which an import approval can be obtained are specified in the Federal Motor Vehicle Standards Act. This article will outline the basic rules that apply to private owners. Other rules apply to 'Licensees' in the Road Vehicle Certification System (RVCS) who are the commercial suppliers in the Australian market place.


Australian Government
Department of Infrastructure and Transport

Importing Vehicles to Australia

Information Brochure (VSB10)
Issue Date: July 2011

DO NOT IMPORT A VEHICLE INTO AUSTRALIA BEFORE OBTAINING A VEHICLE IMPORT APPROVAL

There are four 'paths' by which a new heavy motor vehicle can be approved for import. These are:

- With an Australian compliance plate attached;
- With a Certification Letter from an Australian Licensee;
- As a special-purpose vehicle that cannot be reasonably obtained in the Australian market place;
- Or as a low-volume compliance-plate import.

The first two ways require the co-operation of the Australian licensee. The base vehicle will usually be purchased through the Australian supplier, who will support the import application.
The local supplier will not want to take responsibility for body-fitment overseas, so there will be conditions attached. At the least, an assessment of compliance with the Australian Design Rules and state/territory rules by a competent person will be needed before registration. These vehicles end up with a compliance plate attached, which might help subsequent registration transfer, should the vehicle be sold on.
Special purpose vehicles (path three) have features that are not readily available in Australia. Examples are all-terrain drilling gear for mining applications or road-rail vehicles used for electrification construction. Applications for a special purpose vehicle need to be supported in writing by a state or territory road agency. The road agency will need to be convinced that the vehicle is truly special. Attachment of a special-purpose body onto a standard road truck will usually not be considered special, as it could be done in Australia. The special-purpose vehicle does not get a compliance plate.
A low-volume compliance plate import (path four) is intended to be supplied into the market to be sold. Approved Australian models will be excluded because path four is limited to distinctly different equipment in the Australian market. The first vehicle is a test and evaluation vehicle that needs to get a compliance plate approval before it can be registered. The process requires a formal submission for a compliance plate approval.
The Australian RVCS allows second-stage compliance approvals; which rest on the original Australian vehicle approval. A modified vehicle, such as a concrete pumper or crane or motorhome might be built onto an Australian specification chassis-cab truck that is purchased overseas. An import approval might be obtained for a vehicle with a second-stage compliance approval. The application might need negotiation with the Federal authority.
As a rule, it is impractical to seek compliance plate approval for low-volume or second-stage compliance plates for a single vehicle. The costs involved to prove compliance with the ADRs are unjustifiable for a single-vehicle sale.
Heavy trailers are not regulated in the same way as motor vehicles. New or used heavy trailers can (probably) be imported with little restriction. The state/territory road agency will require that the trailer comply with the Australian Design Rules applicable at the manufacturing date. If for example, the width is 2.55m, the trailer will need to be thinned to 2.5m or less. If the kingpin position is more than 1.43m from the front of the trailer, than the kingpin will need to be moved. If the overhang is excessive, the trailer will need to be shortened. An engineers' certificate will be needed to verify compliance with the design rules. No compliance plate will be issued.
Vehicles that have been registered and used overseas are subject to the same general requirements as new vehicles, with a couple of exceptions. Firstly, a Letter of Compliance is probably not obtainable so option two is not applicable. Secondly, option four is slightly different. A compliance plate must be obtained from a Registered Automotive Workshop (RAWS), which has approved capability to import and modify vehicles to comply with the ADRs.
Motor vehicles that were manufactured before the current-edition of the ADRs – that is pre-1989 – can be imported without restriction. To be registered, they must be proven to comply with the ADRs at the time they were manufactured; and be roadworthy. Vehicles from England or Japan (which have RHS steering wheels) have been routinely imported. Now, pre-1989 vehicles are old and likely to have significant mechanical defects.
Importers often find that the costs of shipping and complying vehicles is higher than they expect. There is also Australian import duty and sales tax to be paid. In most cases the effort cannot be justified considering the risks involved.

"To be registered, they must be proven to comply with the ADRs at the time they were manufactured; and be roadworthy."

ARTSA will be running a specialists' course on Regulation and Certification of Heavy Vehicles for practitioners, in Melbourne on 29 to 31 August 2012. Please contact Rob Perkins at exec@artsa.com.au for further information.

NEIL CHAMBERS

2012 Economic Survey Results

Welcome to my first article as CEO of the VTA. From July, I have succeeded Philip Lovel AM, who held the position for 26 years. I am looking forward to my new role and thank everyone for their congratulations.

Philip remains actively engaged as a part-time Executive Director of the VTA. This means we don't lose the passion and commitment he has demonstrated over his long career, including industrial relations through the Australian Road Transport Industrial Organisation (ARTIO), or as a Trustee of the TWU Superannuation Fund, the leading industry superannuation fund supporting employees in the transport industry.

Also, Phil will continue to chair the Victorian Transport Industry Safety Group (TISG), a recognised world-class leading forum that champions transport safety and compliance initiatives.

I'd like to welcome John Gilbert to the VTA as our Industry Services Manager. John comes to us with extensive experience in training and national competency development in the transport and logistics industry, and is fitting in nicely as a key advocate for the Association.

The VTA conducted its annual Economic Survey in May. Over 300 responses were received from companies across Australia. This high participation rate confirms that many companies want to understand how their views align with others about the prevailing economic and regulatory conditions in Australia.

Highlights from the Survey results were:

- Respondents are more pessimistic about the impact of the economy on their company, with 46 per cent feeling that they will contract as the Australian economy contracts.
- Conversely, less people are confident that their business will grow in an expanding economy, or that their business activity will stay relatively stable in a "no-change" economy.
- Consistent with the more pessimistic economic outlook, transport operators predict lower capital expenditure in the coming year. There is a slightly brighter outlook for non-transport operators, but still more predict lower or no capital expenditure than in 2011.
- There has been a hardening of views against the introduction of the Carbon Tax, with 89 per cent of respondents indicating that they do not support it (compared to 81 per cent in 2011).
- Worryingly, close to 30 per cent of transport operators do not fully understand the impact of the carbon tax on their business.
- Non-transport operators have a better understanding of the tax, with 80 percent saying they do understand its likely impact, but over 70 per cent still don't agree with its introduction.
- Potentially of greatest concern is that over 50 per cent of transport operators have not discussed the impact of the Carbon Tax with their customers.
- The lack of communication on the impact of rising costs is fuelling a lot of uncertainty about whether costs increases can be recovered fully in the marketplace. Over 70 per cent of the transport operators admit that they will not be able to recover all of the rising costs from clients. 40 per cent indicated that they will only be able to recover one-fifth or less of the rising costs, with 16 per cent predicting that they will achieve no cost recovery at all.
- Answers to questions on Fuel Cost Recovery confirm that the majority of operators have in place fuel levies to recover rising fuel prices from customers, albeit with a lag of a month or more. 51 per cent expect to recover fuel price increases in the month following the rise, while 22 per cent would not do so until a quarterly rates review. This demonstrates the need for operators to manage cash flow carefully to absorb the lag in rising cost recovery.
- Worryingly, 10 per cent of transport operators do not expect to recover fuel price rises at all, which seems a recipe for disaster. Equally, 16 per cent of non-transport operator respondents (customers) do not expect their transport providers to recover fuel price rise costs at all.
- For transport operators, the biggest challenges they face are profitability, driver availability, safety & compliance, and skills & training (all levels).
- For non-transport operators (customers), the biggest challenges faced are the impact of rising costs on supply chains, profitability, skills and training (all levels), as well as safety and compliance.

The VTA has issued separate information to members on the likely indirect impacts of the implementation of the Carbon Tax. This advice attempts to help companies to overcome the business uncertainty that the implementation of the Clean Energy Future laws has imposed on them.

Neil Chambers
CEO

GEOFF CROUCH

Industry challenges

At the start of this new financial year the trucking industry is facing many challenges, including the impact of new registration and excise charges and the indirect costs of the Carbon Tax.

NatRoad has been extensively engaged with politicians and bureaucrats to show them the economic damage of the new charges. As I have said before, it would be fair to say that in the eyes of most politicians and bureaucrats, they are of the opinion that the right action has been taken. Long and loud we have advocated the reduction in A-trailer charges, in their view they have listened. Until you take into consideration the increase in other registration charges, the increase in fuel excise and the reduction in diesel grant. It's not just that they have they given with one hand and taken with the other, but the massive amount they have taken. And there is no justification for doing so.

In short, although the registration charge for A-trailers is reduced by nearly half, because of increases to other charges, operators are substantially worse off. A major reason is that fuel excise increases by 10.4 per cent. To put it another way, Fuel Tax Credits or the diesel grant reduces by 16 per cent. Registration increases include road train charges increasing by over 21 per cent. NatRoad has compiled a detailed spreadsheet after surveying a large cross section of our membership. Real statistics and numbers were used, not some arbitrary projection conjured up by a junior staffer. To quote just a few of the NatRoad survey results:

- An owner driver of a truck & trailer faces an increase of $5,573;
- A medium operator of 28 trucks and 61 trailers faces an increase of $67,374;
- A large operator of 165 trucks and 344 trailers faces an increase of $223,991;
- A road trains operator (for 50 per cent of combinations) of 10 prime movers and 19 trailers faces a charges increase of $40,736.00

NatRoad believes that this is a significant increase for an owner-driver and may put many out of business. Indeed, many operators would find it extremely hard to pass on these costs to their customers. Significantly, the NT and WA Governments decided against the increases agreed by SCOTI for heavy vehicle charges. In fact, the NT Government will increase registration charges by 3.7 per cent, to match inflation. Charges on A-trailers will be reduced to semi-trailer charges – the same position as ours. At least one jurisdiction is acting with common sense. The WA Government will increase registration charges by 5.7 per cent, after excluding all flood reconstruction costs. As the calculations are from a slightly lower base, they give similar outcomes to NT.

Be that as it may, as other governments would not change their decision to impose increased charges, operators must factor in the increases. The Opposition has placed a motion for disallowance of the fuel excise increase, but it will not be decided until later.

On another note, SCOTI also has ordered a review of truck charges by the NTC by mid 2013. I can assure you that NatRoad will certainly participate in this review of "the assumptions and methodologies" used to determine charges to ensure they are practical and fair. Of course, this charges increase comes at the same time as the Carbon Tax commences.

The Tax does not apply to diesel used in heavy vehicles until 1 July 2014, but our industry will need to factor in the effect of carbon tax on electricity prices, waste disposal and other supplies. Operators should be vigilant in recording increases attributable to the Carbon Tax on their suppliers' invoices. Although the Australian Competition and Consumer Commission has warned against improper price rises because of the Tax, legitimate increases should be advised and passed onto customers.

To finish on a positive note, I congratulate the NSW Government through Minister Duncan Gay for the announcement about reviewing the use of Intelligent Access Programs (IAP). We had put to the Minister that IAP's compulsory application was a key limitation affecting the widespread adoption of Higher Mass Limits (HML) and high productivity road freight vehicles in NSW. This opinion is shared by many others in the road freight transport industry. We demonstrated with a member's case study that IAP creates a regulatory and business nightmare in managing alleged off route non conformances. This member and others report receiving thousands of alleged off route non conformances. Tracking each of these back to establish the basis for the 'alleged non conformance' is time consuming and is often the result of a movement into a rest area, service station or farm gate, etc. In short, IAP is an additional requirement for those who are investing in compliance anyway. I look forward to NatRoad participating in this IAP review with the NSW Government about resolving the unsatisfactory IAP regime.

Geoff Crouch, President

STUART ST CLAIR

Waking up to sleep apnoea

At the Australian Trucking Convention in May, Australian researcher Lisa Sharwood revealed that over 40 per cent of Australian long distance truck drivers suffer from Obstructive Sleep Apnoea. However, the Epworth sleepiness scale currently used in driver medicals only picks up 12.2 per cent, leaving the majority of these apnoea sufferers undiagnosed and untreated.

Obstructive sleep apnoea is a condition where the soft tissues of the throat close or partially obstruct the airway during sleep, preventing normal breathing.

This reduces blood oxygen and prevents restful sleep. Sufferers often snore heavily and may wake choking or gasping, and often suffer from daytime sleepiness – a major crash risk factor.

However, once diagnosed sleep apnoea is easily treated by use of a CPAP machine, which uses a facemask to keep the airways open during sleep by increasing the air pressure.

Lisa's research is part of a major study that aims to determine the prevalence of sleep disorders and sleepiness in truck drivers. These results come from more than 500 drivers in NSW and WA, who were approached at truck stops on trips of more than 200 kilometres. The drivers were interviewed at the stop, and sent home with an overnight breathing monitor, which measured apnoeas (a full airway closure) and hypoapnoeas (shallow breathing) as they slept. Only drivers who had not had a recent crash were included in this group.

Major risk factors for sleep apnoea include being a man, middle age and overweight. The study found this described the truck driving population very well, as 99 per cent of the drivers who participated in the study were men, and the group had an average age of 46. More than 85 per cent were considered overweight or obese by their body mass index. Almost half of the drivers were also smokers, averaging a pack of cigarettes a day and increasing their risk of respiratory complications.

One of the worst cases of sleep apnoea picked up in the study was a 54 year old driver found to suffer 102 apnoeas, or instances where his breathing stopped, per hour. A long distance heavy vehicle driver for 35 years, he was not positive on the Epworth Sleepiness Scale, nor did he report excessive daytime sleepiness or insufficient sleep. However, following his diagnosis and treatment, he admitted to having felt that something was wrong with him for some time. He had not told anyone, likely due to his fear of losing his licence.

Using this case and many others, Lisa said that her research indicates that there are gaps in the current licensing process. She recommended that an external test should be introduced to assess sleepiness risk and sleep disorders like Obstructive Sleep Apnoea, rather than relying on drivers to self-report symptoms. This is especially important in cases where they are not even aware of the condition. Many people who are long- term sufferers may believe that their level of sleepiness is normal, and it is often a bed partner who notices apnoeas rather than the person having them.

Lisa also called for trucking businesses to support their drivers to get tested and treated for sleep apnoea. David Simon, the Chairman of the Australian Trucking Association, agrees.

"In my own business, Simon National Carriers, we have had a significant number of drivers tested and found to have sleep apnoea over the years," David says.

"A sensible approach to testing, treatment, and management has led to benefits to our business by creating safer drivers. Most importantly, our drivers have benefited, with healthier, less fatigued lives, extended driving careers, and greater life expectancy."

I would urge all employers to take on a positive, supportive approach to dealing with this issue, which affects a significant percentage of those in our industry.

Stuart St Clair
Chief Executive

PHIL TAYLOR

In praise of Australian truck manufacturing

While my primary occupation is with a successful importer and distributor of trucks built almost entirely overseas, my role as TIC President has enabled me to gain a strong admiration for the Australian truck manufacturing sector.

There have been a significant number of newspaper front pages in recent months devoted to government financial assistance provided to local car manufacturers, followed by further alarm when those same manufacturers decide to reduce their workforce levels according to reduction in sales of the models they build. Whether good news or bad, the car industry is "front of mind" for many Australians, and this can be witnessed through the tribalism expressed at V8 Supercar events. A street poll would show that a high percentage of Australians recognise that Holden and Ford have local car manufacturing in place. Perhaps a few less people may also recognise that Toyota builds cars in Australia.

By contrast, when talking to politicians, bureaucrats and members of the general public, I am amazed by the low levels of recognition of the existence of truck manufacturing in this great country of ours. Even if some acknowledge local truck building, few people outside of the road transport industry would be able to accurately name the brands that are built locally.

Despite this lack of recognition, Australia has a proud tradition, going back 60 years, of designing and manufacturing trucks, particularly the Heavy Duty variety. In Melbourne, we have the Iveco factory at Dandenong, which opened its doors as International Harvester in 1952 and has produced more than 235,000 locally manufactured trucks since that time.

One of Iveco's more famous products, the versatile Australian-designed ACCO, was first produced in 1972, with more than 78,000 units having been built so far. Looking slightly north of Dandenong, we can find PACCAR's Kenworth production facility at Bayswater, first established in 1970.

Since the first locally built Kenworth rolled off the production line there in 1971, more than 45,000 of them have been produced.

Much further north, in the Brisbane suburb of Wacol, the Volvo Truck Group builds both Volvo and Mack heavy-duty trucks in a dual branded facility. This facility was opened to produce Volvo trucks from 1972, with Mack production being integrated there from 2002.

Similar to the output from Bayswater, the Wacol facility has produced over 45,000 trucks in its 40 years of operation.

The remarkable thing about these four strong truck brands is that their combined local production (not including imported models from the same brands) accounts for well over 50 per cent of the total Heavy Duty (HD) segment of the truck market, as compiled through the TIC's T-Mark historical sales data. The nature of the Australian heavy-duty truck segment is that many different and unique applications require a high degree of customisation to the task. Local engineering and customisation is something that these Australian truck manufacturing facilities can deliver in spades. This 50 per cent share of the HD segment by locally built trucks has actually increased in recent years, and all without a dollar of subsidisation from the federal or state governments in recent memory. Importantly, the three plants directly employ over 1,500 people, with many thousands additional jobs created through component suppliers and the support networks, including dealerships.

In light of recent bad publicity about the future of manufacturing in this country, perhaps a more positive spin can be generated by showing off our local truck manufacturers, who have done a mighty job to support Australia's economy over an extended period.

Phil Taylor
President