

Submission to the Risk-Based Heavy Vehicle Inspection Scheme discussion paper

November 2023

The Australian Logistics Council (**ALC**) is pleased to make a brief submission on the *Risk-Based Heavy Vehicle Inspection Scheme* discussion paper (**the Discussion Paper**).

ALC is the peak national body representing major companies participating in the end-to end freight supply chain and logistics industry with a focus on delivering enhanced supply chain safety, efficiency and sustainability.

Freight affects every Australian, every day, everywhere. Common goods purchased by Australians such as food, clothing, household appliances and medicine all need to be transported by freight operators. Australia's population is expected to grow by 10 million by 2040, an increase which must be supported through proactive investment in infrastructure.

The concept of a nationally consistent based risk-based inspection system replacing a fragmented state-based system is appropriate for an industry with operators providing services to a national economy and registering vehicles in several different jurisdictions. This is an issue that has been discussed since 2015, and most recently in 2022.

ALC remains supportive of the proposition that the level of vehicle inspection should be tied to operator performance (including operator history) normalised for the size of the operator's fleet¹.

It agrees with the risk assessment methodology proposed on pages 14 and 15 of the Paper and generally agrees the accompanying risk factor category and category variable weighting summary set out in Table 3 of the Discussion Paper, although care needs to be taken that gathering evidence to determine operator risk is not too time consuming and costly relative to any improvement in safety outcomes.

For instance, proving to the regulator that the implementation of an SMS 'truly represents a culture of safety and proactive risk management'² could involve significant time and cost on an operator if providing evidence to show a compliant culture is given a moderate to high weighting in developing a risk score.

The associated costs and benefits should be thoroughly examined, particularly concerning the weight given to a compliant culture in developing a risk score. Furthermore, recognising the concerns of transport operators regarding data sharing, the ALC emphasises the

¹ Discussed at DP:21

² DP:24 – should an operator choose to implement an SMS, noting a policy decision has been made as part of the broader HVNL review not to make an SMS compulsory for all operators at this time.

importance of addressing potential risks associated with unintended use of information. Confidentiality, competitive advantage, and proprietary considerations may contribute to operators' reluctance to provide specific data.

ALC supports exploring inspections conducted either for the purpose of fulfilling contractual requirements from prime contractors or for accreditation purposes could be an inspection conducted for the purposes of the HVNL is something that should be explored as it removes a formal statutory requirement that imposes cost on operators, without compromising safety outcomes.³

Finally, ALC generally agrees with the Policy Framework Principles set out in Appendix 2 of the Discussion Paper, although as it has noted previously in relation to Principle 7:

7. Classification of heavy vehicles or operators into risk categories will be determined by the application of a standardised mathematical model that uses the existence and/or prevalence of risk factors as inputs to generate a risk score for each heavy vehicle or operator. The model will be subject to review.

If industry confidence in having an individual operator's risk determined in this manner is to be maintained it will be important the model used to generate the risk score is transparent.

Recommendation 17.1 of the *Royal Commission into the Robodebt Scheme* included a suggestion that:

where automated decision-making is implemented:

- there should be a clear path for those affected by decisions to seek review
- departmental websites should contain information advising that automated decision-making is used and explaining in plain language how the process works
- business rules and algorithms should be made available, to enable independent expert scrutiny.⁴

It is also noted the Commonwealth Ombudsman's *Automated Decision-Making Better Practice Guide* (2019) suggests that any decision made with the aid of automation (including use of a 'mathematical model') should be open to internal and external review.⁵

So best practice is followed:

- any mathematical model used to determine an operator's risk will need to be published; and
- an avenue for a review of an operator's risk score is provided.

ALC looks forward to reviewing the RIS that will be prepared for this proposal once published.⁶

³ Discussed at DP:24

⁴ <https://robodebt.royalcommission.gov.au/system/files/2023-09/rrc-accessible-full-report.PDF>: xvi

⁵ https://www.ombudsman.gov.au/_data/assets/pdf_file/0029/288236/OMB1188-Automated-Decision-Making-Report_Final-A1898885.pdf: 10 and 26

⁶ As indicated at DP:24