



**ROAD TRANSPORT FORUM NEW ZEALAND INC
SUBMISSION
ON
Accident Compensation Corporation Fleet Safety
Incentive Programme**

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AUGUST 2013

SUBMISSION BY ROAD TRANSPORT FORUM NEW ZEALAND TO ACC ON FLEET SAFETY INCENTIVE PROGRAMME

1.0 The facts

- 1.1 At the end of 2010 there were 3,211,920 licensed vehicles in New Zealand. Of these 79,539 were "heavy vehicles" or trucks weighing over 3.5 tonnes.
- 1.2 Around 22,000 trucks are operated by the road freight industry. Most of the heavier trucks are owned and operated by individuals and organisations not primarily involved in road freight: tradespeople, developers and contractors, local councils, manufacturers and other businesses.
- 1.3 Over 80% of transport operators have fewer than five employees or trucks. There were 4,057 road transport companies registered in New Zealand in 2010.
- 1.4 The table below describes the difference between business numbers and employees.

Number of Employees	Total Businesses	Total Employees
0-5	3,740	5,620
6-9	275	1,980
10-19	255	3,440
20-49	155	4,550
50-99	46	3,110
100+	36	7,030

2.0 The FSIP

- 2.1 The FSIP is an optional safety incentive offering, which targets fleet operators who invest in workplace health and safety, and work with their employees to reduce the number and severity of on-road crashes and workplace injuries.

- 2.2 The FSIP aims to shift current behaviour by fleets from compliance with regulations to implementing best practice fleet management practices.
- 2.3 The consultation draft advises that the FSIP will not be offered to transport operators operating four trucks or less. This position does not entirely support the concept of creating a safety culture for fleets.
- 2.4 According to the information in the table above the FSIP will be offered to less than 20% of transport businesses. It is noted that those 20% of businesses employ approximately 80% of the transport workforce. However, the reality is that only a minority of businesses will be able to take advantage of the FSIP.
- 2.5 The removal of the “virtual business” opportunity is disappointing. Removal of that opportunity disadvantages a high proportion of transport businesses that could take advantage of levy reductions
- 2.6 Our suggestion to offer the FSIP to transport operators based on the number of people they employ rather than classifying companies according to number of vehicles they operate.

3.0 **Incentive**

- 3.1 It is questionable whether the incentives being offered (reductions in vehicle levies) will be enough to encourage transport operators to participate in the FSIP. The work required by large firms to maintain accident reductions will be substantial.
- 3.2 In their 2013/2014 levy setting document ACC estimated that the yearly operating cost for a heavy vehicle was approximately \$798,455. A transport operator that joins the FSIP and meets “Gold” level safety attribute will receive a \$266.84 discount on their vehicle levy.

3.3 Putting that into perspective, a “Gold” level transport operator stands to receive a .033% savings on each vehicle’s operating costs. That alone may not be enough of an incentive to encourage transport operators to fully engage with the FSIP.