

Chronology of the NZ Operator Rating System

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Motivation for the ORS/first steps

- Rising tide of new vehicle safety requirements/costs
- Operator response to enforcement attention
- Adverse publicity concerning industry safety performance
- Limited capability of Regulators to deal with poor performers and recidivists recognised
- Intuitive leaders saw promise of ORS before 1996 Truck Crash Inquiry

North American Experience with Ratings/Audits

▪ United States

- 1980: ICC Audits for interstate Motor Carriers
- 1984: Congress Mandate under the Motor Carrier Safety Act
- 1990: Safety ratings of most carriers completed using a unified approach
- 1999: Motor Carrier Safety Improvement Act

▪ Canada

- 1987-89: National Safety Code: Standard #14 (16 Operational Standards in Set)
- 1996: Introduction of aggressive penalties – including impoundment (Ontario)
- 1999: Assignment of Ratings/Facility audits/Automated CVOR System (Ontario)

The Formative Years in NZ

- Deregulation completed – qualitative licensing introduced
- Transport Services Licensing Act introduced in 1989
- Provided opportunity to integrate operator/driver/vehicle offence history
- Database to manage operator history didn't eventuate
- Transport Service Licence Register proved inadequate
- Opportunity was lost

Other influences supporting performance rating initiatives

- **Health & Safety in Employment Act (1992)**
- **ISO 9002/quality standards imposed by market forces**
- **1996 Parliamentary Inquiry into Truck Crashes**
 - Govt support for Responsible Operator Programme
- **NRTC Alternative Compliance Scheme Proposals (1994) considered**
- **Conceptual ideas – self management/self regulation explored in mid 90s**
- **LTSA accorded industry ORS proposals “high priority” in 1998**
 - Transport licensing Review initiated 1998/1999

Alberta Partners in Compliance Programme (PIC)

- 1997 programme instituted in Alberta Canada
- Relied heavily on industry participation
- Offered a benefit-based option
- Retained a Joint Operator/Regulator Management and exiting regime
- Set the framework for the RTFNZ preferred model
- Re-released in February 2006 – attracting new operators

Forum Preferred ORS Options – the Six Attributes (1999)

- i. A partnership approach to enforcement and administrative policy development**
- ii. Be able to identify good industry performers**
- iii. Encompass a benefits-based approach in recognition of good compliance**
- iv. Provide risk assessment and profiling for enforcement strategies**
- v. Include industry participation in the exit/sanction process**
- vi. Provide opportunity for rehabilitation before exit process occurs**

Early Trials/Tentative Steps/Getting Serious

1999 LTSC/RTF/FOA industry only effort stalled

Outcomes:

- LTSC developed log truck crash database
- RTF/TERNZ Safety recommendations included ORS presented to Govt

2000 LTSA/RTF/LTSC joint trial commenced – evaluation of operators records

Outcome:

- Frustration with interview/audit process

2002/03 Commitment by Government to fund Business Case

2003 Business Case leads to Scoping Project

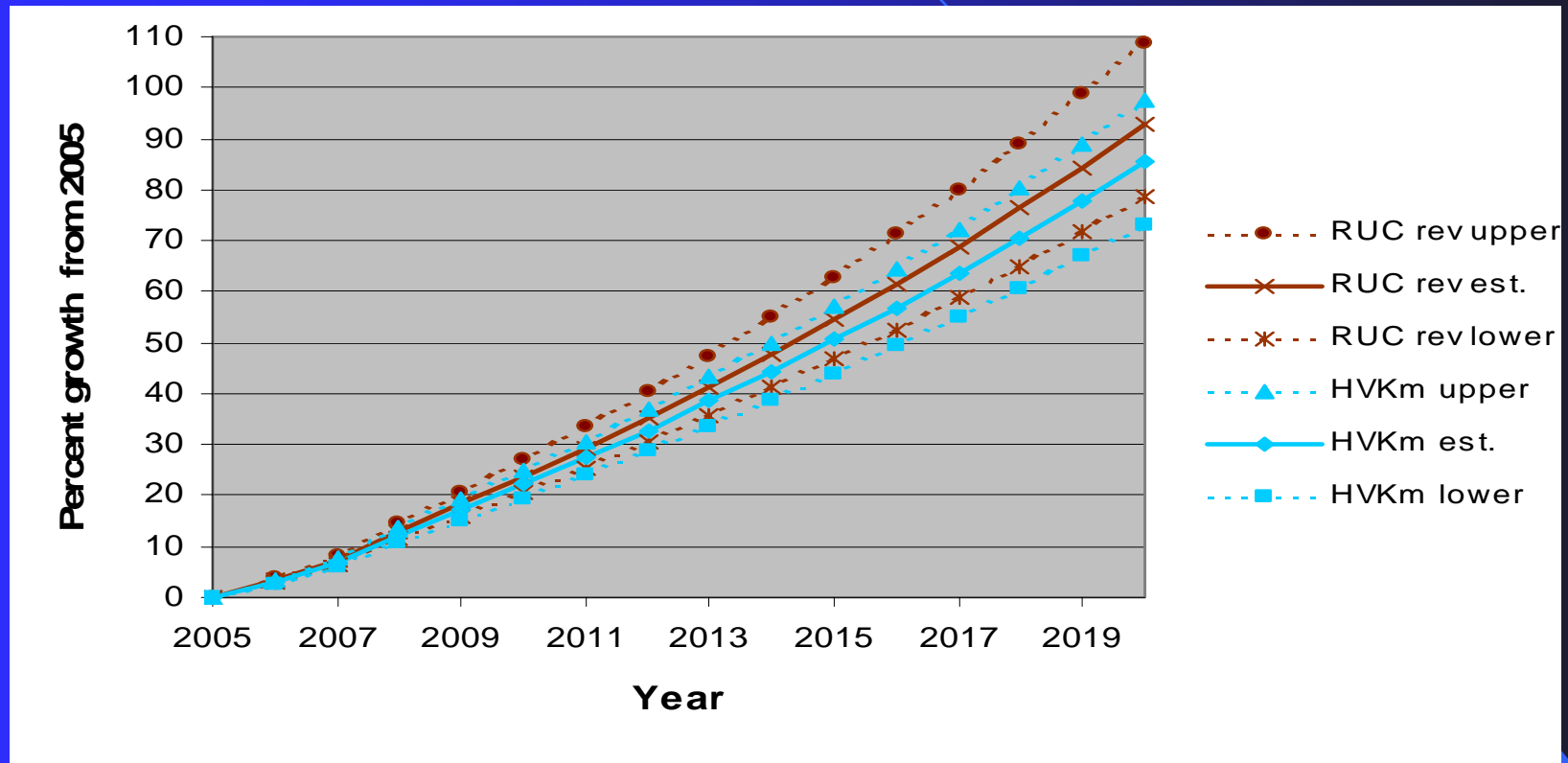
2004 Critical nature of IT project identified – Projected cost \$8m

2005/06 Legislative ammendments – Rule Development/Project Development

ORS IT Overview

- **Multi Level Functionality:**
 - Automatically transfer data between LTNZ and Police
 - Link data to individual operators
 - Link vehicle data to operators
 - Normalise and score the data within crash, defect, conviction/infringement categories
 - Weight data between each category and calculate the operator rating
- **System Compatibility:**
 - The ability to produce ad hoc reports
 - Transfer new information into the IT system
 - Link to LTNZ's website for operator and public access to rating
 - Allow corrections to data to be implemented
 - Archive ratings to provide both 6-monthly and continuous history ratings

Transport Growth makes Rating System imperative



RUC/HVKm Sensitivity Graph 2005/2020

- Even a relatively low 2.5% growth rate would increase heavy vehicle traffic by 72%

Source: TERNZ

Conclusions

- **NZ can benefit from Australian, Canadian and US experience**
- **Operators have retained interest in safety rating systems**
- **Safety rating systems stand out as a reliable tool for focussing enforcement action**
- **ORS ratings will assist operators reputation markers**
- **Reputation marking is the flip side of risk rating**
- **Good operators will be able to seek new market opportunities**

Thank You

