

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 130

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Australian Crewed Tankers

Proof Hansard Page: 55 (28 May 2015)

Senator Rice, Janet asked:

...

Senator RICE: Until very recently, the *British Loyalty*, for example, and the other tankers that were servicing the Australian domestic refineries were crewed with Australian sailors and being paid Australian wages.

Ms Zielke: That may be the case, but they are still foreign ships and could be paying people who receive foreign wages as well, depending on their circumstances. So it depends on what it is that they are actually undertaking. Therefore, there may be a situation where not all people on that vessel are Australian crewed. So I am happy to come back to you with further detail in relation to what the arrangements are for them, noting that we would need to consult with the employment portfolio to be able to come back with details of that.

Ms O'Connell: We might be talking about a timing issue. You have asked about a couple of specific named tankers. Can you give us those names again and we will check what their status is in terms of Australia.

Senator RICE: I know that there have been Australian crewed tankers that have been in operation until quite recently. I thought that there is one, the *British Loyalty*, which is still in operation.

Ms O'Connell: We will check that on notice.

...

Answer:

There is one operating tanker (the *British Fidelity*) holding a transitional general licence under the *Coastal Trading (Revitalising Australian Shipping) Act 2012* authorised to operate on an unrestricted basis in Australia. This tanker is foreign flagged, but has Australian crew.

Two tankers ceased operations in Australia earlier this year: *British Loyalty* in May 2015 and the *Alexander Spirit* in July 2015.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 131

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Submissions in response to the Options Paper: Approaches to regulating coastal shipping in Australia

Proof Hansard Page: 61 (28 May 2015)

Senator Heffernan, Bill asked:

...

CHAIR: I am having trouble getting my head around this. Are you applying it to the west, the north or the east? Visy, for instance, at Tumut do umpteen containers a day—bloody hundreds—to Fairfield. It is patently obvious that you are not going to put them on a boat. Who is going to take stuff in a container and put it on a boat to go from Sydney to Melbourne? It would be quicker just to slip up the inland. I do not get it. Where is it that people are going to go? Sure, if it is in the back country, but there is no business out there anyhow. Where are people going to do the double handling that is required to put it on a truck, take it to the wharf, send it 300 or 400 miles up the coast and put it back on a truck and deliver it to the factory?

Mr Sutton: Certainly the key advantage of shipping is in longer distance.

CHAIR: Yes, I understand that.

Mr Sutton: High volume applications.

CHAIR: I understand that implicitly. But, for coastal stuff, if you are going from Sydney to Melbourne and you have had to cart it into the wharf 150 kilometres, you may as well have put that on the way to Melbourne with a truck and you would be there overnight instead of loading it on a ship. That is unless you are agreeing to pay the crew on the ship \$1 an hour. Get a Bangladesh crew down here.

Ms Zielke: I am comfortable to come back to the committee with comments from some of the submissions made as part of the review, if that is helpful.

Senator STERLE: As I say, I am not having a crack at you.

Ms Zielke: No. I understand.

...

Answer:

There were 87 submissions in response to the Options Paper: Approaches to regulating coastal shipping in Australia. These submissions can be found at:

<http://www.infrastructure.gov.au/maritime/business/coastal_trading/review/submissions.aspx>.

Some of these submissions included responses that commented on competition between shipping and land transport modes. These submissions (including from the Australasian Railway Association and Shipping Australia Ltd) focused on general issues associated with intermodal competition, rather than the distance related issues raised in the question.

In discussions with industry, the Department has also been informed of examples where one company was required to move oversized, heavy machinery by road because they could not meet the five voyage threshold for obtaining a temporary licence. This was because the machinery was being moved for a one-off delivery. Similarly, another example where ammonium nitrate was moved by road because of difficulties in reliably estimating the quantities needed in time to obtain temporary licences.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 132

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Access to Queensland's level 2B road network for 30 metre B-triples

Proof Hansard Page: 65 (28 May 2015)

Senator Back, Chris asked:

...

Senator BACK: A constituent in Western Australia has developed a fleet of what he calls 30 metre B-triple vehicles, principally for livestock transport. The opportunity exists to expand this, particularly in Queensland, with fuel oil from the coast out west to the inland. These are, as I recall—perhaps Senator Sterle can assist me here—described as level 2B. They are compliant on the PBS network. What does that mean?

Ms Zielke: Performance based standards.

Ms O'Connell: Performance based standards.

Senator BACK: This particular configuration has run now for some years and in excess of two million kilometres. There are very significant savings in fuel and, therefore, emissions et cetera. There are much improved efficiencies. He and his engineers say two things. In terms of access, the bridges that are acceptable for B-doubles and for pocket tandems are perfectly okay for this type of vehicle, but he seems to have had enormous difficulty getting this configuration accepted here in the eastern states. I am keen to know why. I know he has had meetings—indeed, I have assisted him—with people in the minister's office et cetera. I just need to know if this configuration is safe and if it leads to improved effectiveness and efficiencies—reduced fuel and emissions et cetera. They are okay on Western Australian roads. What is wrong with them, for example, on Queensland roads? How do we stop the log jam, please?

Ms Zielke: Trucks that are applying under PBS for those arrangements actually submit for approval in that regard. States and territories consider those requests as part of a panel to be able to approve them dependent on the state and quality of their roads and their bridges et cetera in that regard. So the states and territories will comment in relation to whether they believe all of their bridges are actually appropriate or not. I understand that Queensland has some concerns about the quality of some of its bridges. That may be impacting directly on his applications. I am more than happy to take it on notice and come back with further information in relation to the specific case, though.

Senator BACK: Sure...

Answer:

The Level 2B Performance Based Standards network is for vehicles that have a maximum length of 30 metres. While the 30 metre B-triple referred to in this question complies with the length requirements of this network, it is significantly heavier than a standard 26 metre B-double, by up to 20 tonnes. This means that, while the vehicle can fit on the Level 2B network in a geometric sense, its increased vertical load can lead to accelerated wear and damage to the road surface and bridges.

The Queensland Government did not approve the route that was originally applied for by this operator, which included the Dawson Highway near Gladstone. Instead, Queensland approved an alternative route via the Capricorn Highway. While this is a longer route, bridges along this route are capable of carrying the increased vertical loadings associated with the vehicle in question. Conditions were however imposed requiring the vehicle to be driven in the centre of the bridge and at reduced speeds on vulnerable structures.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 133

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Correspondence from Australian shipping companies in regards to coastal shipping reforms

Proof Hansard Page: 66-67 (28 May 2015)

Senator Sterle, Glenn asked:

Senator STERLE: I have only four more questions. Has the department received any correspondence from Australian shipping companies expressing concern about changes to coastal shipping law?

Ms Zielke: Yes.

Senator STERLE: Who are they?

Ms Zielke: I can take that on notice.

Senator STERLE: If you could take that on notice, that would be good. Has the government worked to accommodate the Australian shipping industry's concerns?

Ms Zielke: Yes.

Senator STERLE: Do you want to tell us how?

Ms Zielke: In relation to the way in which the legislation currently works. The Australian firms have expressed great concern about the way in which the legislation currently works. So we are taking into account their comments in relation to the burden in particular that is in place. The five voyage rule that applies is a particular example. To be able to apply for a permit under the current arrangement, you need to be able to identify a minimum of five voyages to be able to enter the system. For most companies working on whatever arrangement is coming forward to them for moving goods, the ability to identify five clear voyages in the first instance is almost impossible for some of them. It has led to them being excluded, in some cases, from the scheme.

Senator STERLE: For the purposes of type, you could come back to us with more information on them and what their issues are?

Ms Zielke: Certainly.

Answer:

On 8 April 2014 the Deputy Prime Minister and Minister for Infrastructure and Regional Development, the Hon Warren Truss MP, announced the release of an options paper on approaches to regulating coastal shipping in Australia. There were 87 submissions in response to the Options Paper: Approaches to regulating coastal shipping in Australia. The submissions can be located at:

[<http://www.infrastructure.gov.au/maritime/business/coastal_trading/review/submissions.aspx>](http://www.infrastructure.gov.au/maritime/business/coastal_trading/review/submissions.aspx)

Issues raised in the submissions and subsequent discussions include:

- the application of the five voyage rule for temporary licences;
- additional costs imposed by the licensing framework;
- date and volume tolerance;
- difficulties with port changes and approval timeframes;
- concerns about the uncertainty of supply and its impact on last minute port changes;
- eligibility to apply for licences;
- the requirement to undertake consultations with general licence holders even if there no Australian ships capable of carrying a cargo; and
- the reporting requirements set out in legislation.

The views of industry stakeholders were fully considered in the development of the coastal shipping policy framework announced by the Deputy Prime Minister on 20 May 2015.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 134

Program: 2.2 Surface Transport
Division/Agency: Surface Transport Policy
Topic: Tasmanian Freight Equalisation Scheme
Proof Hansard Page: 70-71 (28 May 2015)

Senator Urquhart, Anne asked:

Senator URQUHART: The other issue that I want to talk about is the freight equalisation scheme. Can you advise me of the current unit cost per container across Bass Strait?

Ms O'Connell: Yes, certainly.

Ms Zielke: Certainly, Senator. There is a calculation that is undertaken, so it is not the case that I can say it is a certain amount per container. It is roughly \$725 per container.

Senator URQUHART: What is the methodology for that calculation?

Ms Zielke: It is quite complex. I am more than happy to take it on notice. We will try to give you a simple answer.

Senator URQUHART: That is fine.

Mr Mrdak: It goes back to a formula that was determined in 1996-97 by a thing called the Nixon review. It basically calculated the sea cost disadvantage of moving cargo from Melbourne to Devonport. It made adjustments, then, for the port where the cargo was moved from. For example, the Riverina in New South Wales is a different costing and scaling factor. A whole range of factors influence the final amount of assistance that a particular cargo is eligible for. We can certainly get you details of the formula associated with that.

...

Answer:

Note: The Hansard for this question contains an error. It was Mr Michael Sutton, General Manager, Maritime and Shipping, Surface Transport Policy, who responded to Senator Urquhart regarding the formula.

The formula for calculation of assistance under the Tasmanian Freight Equalisation Scheme is contained in schedule 3 of the Ministerial Directions for the operation of the Tasmanian Freight Equalisation Scheme. Refer to Attachment A.

Attachment A – Schedule 3 to the Ministerial Directions for the operation of the Tasmanian Freight Equalisation Scheme as of October 2013.

SCHEDULE 3**ASSISTANCE PAYABLE PER TEU OR TEU EQUIVALENT**

DRY FREIGHT	ASSISTANCE FORMULA
Class 1 Shipper (NWW: \$0 to \$335.50)	$FC + NWW$
Class 2 Shipper (NWW: \$335.51 to \$671)	$FC + MWW/2 + 0.75(NWW - MWW/2)$
Class 3 Shipper (NWW: \$671.01 to \$1006.50)	$FC + MWW/2 + 0.75(MWW/2) + 0.5(NWW - MWW)$
Class 4 Shipper (NWW: \$1006.51 +)	$FC + MWW/2 + 0.75(MWW/2) + 0.5(MWW/2)$

REEFER FREIGHT	ASSISTANCE FORMULA
Class 1 Shipper (NWW: \$0 to \$335.50)	$FC + NWW$
Class 2 Shipper (NWW: \$335.51 to \$671)	$FC + MWW/2 + 0.75(NWW - MWW/2)$
Class 3 Shipper (NWW: \$671.01 to \$1006.50)	$FC + MWW/2 + 0.75(MWW/2) + 0.5(NWW - MWW)$
Class 4 Shipper (NWW: \$1006.51 +)	$FC + MWW/2 + 0.75(MWW/2) + 0.5(MWW/2)$

Where:

FC – means fixed intermodal cost, as defined in clause 2;

MWW – means the median wharf to wharf disadvantage, as defined in clause 2, that being \$671;

NWW – means a shipper's notional wharf to wharf disadvantage, as defined in clause 2.

MINISTERIAL DIRECTIONS
FOR THE OPERATION OF THE
TASMANIAN FREIGHT EQUALISATION SCHEME

Approved by the Minister for Transport and Regional Services
The Honourable John Anderson
September 2002

Amendments approved by the Acting Minister for Infrastructure, Transport, Regional
Development and Local Government
The Honourable Christopher Bowen
July 2008

Schedule 1 amendments approved by the Secretary of the Department of Infrastructure,
Transport, Regional Development and Local Government
September 2009

Amendments approved by the Minister for Infrastructure and Transport,
The Honourable Anthony Albanese
November 2012

Schedule 1 variation approved by the Secretary of the Department of Infrastructure and
Regional Development
October 2013

1. INTERPRETATION

1.1. In these Directions unless inconsistent with the context or subject matter or unless a contrary intention appears:

- (a) words importing the singular include the plural and words importing the plural include the singular;
- (b) words importing a person include a partnership and a body whether corporate or otherwise.

2. DEFINITIONS

"Agent" means to be appointed to act as an Agent to apply for assistance on behalf of their customers. Companies engaged in supplying goods to the industries described in 12.1 may apply. Companies primarily involved in freight forwarding or freight logistics may not apply to act as an agent;

"BGSF company" is an abbreviation for 'bulk grain storage facility company' and means a company that:

- (a) ships grain to Tasmania from mainland Australia; and

- (b) stores the grain in a storage facility that has a storage capacity of 2,000 tonnes or more.

“bulk cargo” means any cargo that is shipped loose in a ship's holds or tanks without any form of unitisation or packaging.

“charitable organisation” means a society or association established for charitable or benevolent purposes and not for the purposes of profit or gain to the individual members of the society or association.

“Department” means the Department of Infrastructure and Transport.

“door to door adjustment” means adjustment to a shipper's freight bill to convert the freight bill from a door to wharf, wharf to door, or door to door basis to a notional wharf to wharf basis in accordance with clause 18.

“eligible customer” means a person who is eligible to apply for assistance under subclause 12.1.

“Full Container Load (FCL)” means a container utilised at its maximum capacity for the cargo carried.

“fixed intermodal cost (FC)” means an amount of \$100 per TEU attributable to unavoidable intermodal costs incurred by a shipper moving goods by sea between northern Tasmania and Victoria, or between King Island and the main island of Tasmania, or between Flinders Island and the main island of Tasmania.

“heavy weight assistance” means assistance payable in respect of cargo regarded as *high density or heavy cargo* and calculated in accordance with clause 21.

“high density or heavy cargo” means cargo which when efficiently packed has a stowage factor of 1.1 cubic metres or less per tonne.

“Less than a Container Load (LCL)” means container utilised at less than its maximum capacity for the cargo carried.

“Manufacturing Process” for the purposes of subclauses 4.5, 10.1(a), 11.3 and 11.4 a manufacturing process is regarded as a process which is, or would be, carried out by a manufacturer who carries out activities defined in Division C of the *Australian and New Zealand Standard Industrial Classification* prepared by the *Australian Bureau of Statistics*.

“median wharf to wharf freight cost disadvantage (MWW)” means \$671.

“Minister” means the Minister for Infrastructure and Transport.

“notional entitlement (NE)” means a shipper's notional entitlement to assistance (or

notional wharf gate to wharf gate freight cost disadvantage), being equivalent to a shipper's *notional wharf to wharf freight cost (WW)*, plus the *fixed intermodal cost (FC)* element, less the *road freight equivalent cost (RFE)* per TEU, and is represented by the formula:

$$NE = (WW + FC) - RFE$$

"notional wharf to wharf freight cost disadvantage (NWW)" means the difference between the shipper's *notional wharf to wharf freight cost (WW)* and the *road freight equivalent cost (RFE)* per TEU, and is represented by the formulas:

$$NWW = WW - RFE \text{ or } NWW = NE - FC$$

"notional wharf to wharf freight cost (WW)" means a shipper's actual freight cost less the applicable GST component and converted, where necessary, to a wharf to wharf rate for a TEU or TEU equivalent consignment in accordance with clauses 17 and 18. In the case of goods moved between the mainland and Tasmania on a route other than Route G or Route S, actual freight rates are also converted in accordance with clause 19.

"road freight equivalent cost (RFE)" means:

- (a) in the case of goods moved between the mainland of Australia and Tasmania - \$281 per TEU for dry freight and \$309 per TEU for reefer freight; and
- (b) in the case of goods moved between King Island and the main island of Tasmania - \$675 per TEU for dry freight and \$742 per TEU for reefer freight; and
- (c) in the case of goods moved between Flinders Island and the main island of Tasmania - \$259 per TEU for dry freight and \$285 per TEU for reefer freight.

"Route G" means northern Tasmania to Victoria.

"Route KIFI" means any of the following routes:

- (a) King Island to the main island of Tasmania;
- (b) the main island of Tasmania to King Island;
- (c) Flinders Island to the main island of Tasmania;
- (d) the main island of Tasmania to Flinders Island.

"Route S" means Victoria to northern Tasmania.

“Route scaling factor adjustment” means the conversion of a shipper’s wharf to wharf freight rate to a route G or route S equivalent. The conversion is undertaken in accordance with clause 19 by applying the appropriate scaling factor specified in Schedule 2 to the actual route undertaken.

“sea freight cost disadvantage” means the difference between the freight costs incurred by a shipper transporting eligible goods by sea on Route G, Route S or Route KIFI, and the notional cost incurred by a shipper transporting the same goods by road over an equivalent distance (420 km, 300 km or 115 km, as the case requires).

“Secretary” means the Secretary or acting Secretary of the Department, his/her delegate or an officer of the Department authorised by the Secretary or acting Secretary to perform any of his/her functions pursuant to these Directions.

“standard weight assistance” means assistance payable on cargo not regarded as *high density or heavy weight cargo*. Standard weight assistance is calculated in accordance with clause 20 and Schedule 3.

“The Scheme” means the Tasmanian Freight Equalisation Scheme.

“TEU” means a standard 6.1 metre container or reefer equivalent.

3. AIM OF THE SCHEME

3.1 The aim of the Scheme is to assist in alleviating the sea freight cost disadvantage incurred by the shippers of eligible non-bulk goods moved by sea between:

- (a) the mainland of Australia and Tasmania; and
- (b) King Island and the main island of Tasmania; and
- (c) Flinders Island and the main island of Tasmania.

3.2 The Scheme operates by making payments of assistance to shippers who are responsible for paying the costs of shipment of eligible non-bulk goods.

4. SCOPE OF THE SCHEME

4.1 The Scheme comprises three components:

- (a) the northbound component covering eligible goods produced or manufactured in Tasmania for permanent use or for sale on the mainland of Australia; and

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 135

Program: 2.3 Road Safety

Division/Agency: Surface Transport Policy

Topic: Keys2drive evaluation

Proof Hansard Page: 74-75 (28 May 2015)

Senator Gallacher, Alex asked:

...

Ms Zielke: We are not cutting the program. These funds were agreed for a set period of time. The conclusion of the program has been known since the dollars were provided.

Ms O'Connell: It is funded next year and it will be a consideration for government in the 2016 budget what it does. In the same way that Keys 2 Drive was funded for three years under the previous government, it is a three-year program term. So it is funded for 2015-16 and it will be a consideration for government in budget 2016.

Senator GALLACHER: Are we going to come back and get the same explanation that we have now—that someone else is picking up the shortfall—as we have in the school bus program?

Mr Mrdak: The government has not undertaken any consideration of this program yet. As Ms O'Connell says, it is a matter for next year's budget.

Senator GALLACHER: I accept that I probably cannot get agreement with your side of the table on funding. What about if we can get agreement on whether the program met its objectives. Did it meet its objectives? What is the department's assessment of the program?

Mr Mrdak: Certainly the department undertook an assessment of the program at the time at which the program was previously lapsing. The overall conclusion—and I can provide some more details on notice—was that it met some objectives but there were areas of improvement required in the program. Subsequently, we did make changes to the administration arrangements of the program with the Australian Automobile Association, which administers the program with Commonwealth funding. I can provide you on notice with further details of the outcomes of that evaluation and review.

CHAIR: This is for seatbelts on school buses?

Ms O'Connell: No. We are talking about Keys 2 Drive.

Mr Mrdak: Keys 2 Drive, which provides driver training for people who are learning to drive.

Ms O'Connell: It provides one free lesson.

Senator GALLACHER: There were 232 17- to 25-year-olds killed last year. Is it a success? That is not an opinion. You have assessed it. You said improvements have been there.

Mr Mrdak: As Ms Zielke has indicated, there have been improvements, although deaths and injuries in that age category remain well above where we would like them to be, which is your point.

Ms O'Connell: That age group has seen the largest reduction in the number of deaths, which is a good initiative. It is mainly due to things like graduated drivers licensing by the states, not so much this. Other state initiatives have really done good work to reduce the deaths and fatalities in this area.

Senator GALLACHER: I accept that a whole suite of things improved it. But there are two specific items here. I would not like to see a fatality arising out of a lack of funding in these two initiatives.

Ms O'Connell: We will provide the review the secretary undertook on notice.

Answer:

In 2012-13, the Department initiated a priority evaluation of the Keys2drive programme in order to assess the appropriateness, effectiveness and efficiency of the programme, gain stakeholder feedback and examine options for the future. A copy of the final evaluation report is provided at [Attachment A](#).

[Attachment A:](#) Evaluation of the Keys2drive program, December 2013.



Australian Government

Department of Infrastructure and Regional Development

EVALUATION OF THE *KEYS2DRIVE* PROGRAM

DECEMBER 2013

**ROAD SAFETY POLICY, ROAD SAFETY AND TRANSPORT ACCESS
BRANCH**

SURFACE TRANSPORT POLICY DIVISION

Contents

Executive Summary.....	3
Introduction	7
Background	7
Evaluation Methodology.....	9
Key Findings	10
<i>ToR 1</i>	10
<i>ToR 2</i>	11
<i>ToR 3</i>	17
<i>ToR 4</i>	21
Suggestions for Improving the Program	22
Summary of Findings and Recommendations	29
Key Findings	29
Recommendations	30
Lessons Learned.....	32
Appendices.....	33

Executive Summary

Keys2drive is a learner driver program developed and operated by the Australian Automobile Association (AAA) and its constituent motoring clubs, and funded by the Australian Government since 2008. The Australian Government recently committed a further \$10 million to extend Keys2drive until 2015-16.

The program aims to encourage learner drivers to get more, and better quality, on-the-road experience, and to assist their supervising drivers (mainly parents) to become better informed and more confident. The program provides a free driving lesson with an accredited instructor for learner drivers accompanied by their supervisors. It also supports learners and supervisors with educational material and practical guidance.

Since it was established, Keys2drive has been the subject of a number of external reviews and studies to evaluate the efficiency and effectiveness of its management and delivery and how it could be improved. In 2012-13, Keys2drive was selected for a Departmental Priority Evaluation to assess the appropriateness, effectiveness and efficiency of Keys2drive, gain stakeholder feedback and examine options for the future.

The Keys2drive program has been efficiently administered by the AAA. While several improvements have been implemented, there is further scope to improve delivery and governance, particularly in the areas of marketing, data collection and evaluation.

The current program arrangements are commensurate with and constrained by the scale and resources of the program. This will of course continue to be a consideration for any future amendments.

While there is little available data to assess the effectiveness of the program, feedback from participants, supervisors and driving instructors was positive, suggesting that Keys2drive had increased their knowledge and heightened their commitment to gaining more and varied driving experience.

It was generally regarded that Keys2drive fills a gap in the novice driver safety space through its unique focus on the supervising driver. While the program has achieved good penetration in the eastern mainland states, there is opportunity to better target other regions and disadvantaged or at-risk groups.

The AAA and motoring clubs are very supportive of the program, noting that the teaching design is regarded as best practice. Further, the Keys2drive instructor accreditation scheme is perceived as having a major positive effect on raising the standard of driving instruction, with many accredited instructors incorporating the Keys2drive methodology into their other day to day driving instruction.

The general view among safety experts and state agency representatives interviewed was that Keys2drive was peripheral in the road safety space, with Graduated Licensing Systems identified as the most powerful intervention for improving novice driver safety outcomes.

Safety experts and state agency representatives considered providing leadership and facilitation of national research and a more consistent approach to licensing and road safety as a more legitimate and effective role for the Commonwealth in promoting novice driver safety.

The key findings of the Priority Evaluation against the Terms of Reference are:

TOR1. Whether the recommendations of the evaluation undertaken in 2010 had been implemented and if not, why not; and if so, an assessment of their effectiveness in terms of program efficiency and improved program delivery, and recommendations for further improvements.

1. The Keys2drive program has been improved by the implementation of the 2010 Ogden review recommendations, although in some cases those recommendations had not been implemented to the fullest extent, and there is scope to further improve delivery and/or program governance.

TOR2. An assessment of the program's effectiveness and efficiency in terms of the program's objective to improve the safety of novice drivers and make a contribution to road safety.

2. In the absence of data to measure the program's effectiveness, feedback from stakeholders and indicative research findings suggest that the Keys2drive program has been effective in encouraging learner drivers to get more experience in a range of different driving conditions and assisting their supervising drivers to become better informed and more confident in their role.
3. The potential impact of Keys2drive is likely to be much more significant in jurisdictions where there are not as many other programs in place for novice drivers.
4. Keys2drive has had a positive impact in raising the standard of driving instruction among instructors involved in the program.
5. While areas for improvement have been identified, the Keys2drive program has been efficiently administered by the AAA.
6. There is an opportunity for the Commonwealth to play a national leadership role in improving graduated licensing systems, facilitating national research, benchmarking, and best practice.

TOR3. Whether the agreed program targets, as they apply to learner drivers and driving instructors, including timeliness of delivery and measures of client take-up rates and satisfaction, were being met by the program managers, the AAA, and if not, recommendations for rectification and improvement.

7. Participants, supervisors and driving instructors are generally satisfied with the Keys2drive program.
8. The take-up of Keys2drive lessons closely reflects the distribution of Keys2drive accredited driving instructors, with the majority in Victoria, New South Wales and Queensland.
9. There is a perception in the community that Keys2drive is a motoring club/ driving instructor program rather than a Commonwealth-funded initiative.
10. The marketing and promotion of Keys2drive is an area for improvement.
11. There is a need for a data collection and evaluation strategy for Keys2drive.

TOR4. An assessment of the program's management by the AAA against the reporting, governance and financial requirements mandated in the Funding Agreement and subsequent Deeds of variation.

12. The AAA has effectively complied with the original contract and the variations as they came into effect and all reporting requirements have been met.

Based on the findings outlined above, and suggestions made throughout the review to alter the Commonwealth's role in contributing to improved novice driver safety, or improve the Keys2drive program, the following recommendations are presented.

- R1. The Department should ensure that any future consideration of renewal or extension of the program include the option of an alternative role for the Commonwealth in facilitating national consistency and best practice in the graduated licensing system for novice drivers.
- R2. The Department and AAA identify and implement strategies to increase uptake of the Keys2drive program among driving instructors and learner drivers in those states and territories where there has been less Keys2drive activity to date and where there are few other programs in place for novice drivers.
- R3. The Department and AAA identify and implement strategies to increase uptake of the Keys2drive program among disadvantaged and at-risk groups including those from low socio-economic backgrounds, those living in regional and remote areas including Indigenous communities, and learners with no access to a car.

- R4. In consultation with the Department, the AAA develops and implements a marketing strategy for Keys2drive that includes promotional activities targeted at disadvantaged and at risk groups and geographical areas where uptake is low.
- R5. The AAA further investigates options for incorporating new technologies (eg smart phones and tablets) and different techniques (eg commentary driving) into the promotion and delivery of Keys2drive.
- R6. Using the draft monitoring and evaluation strategy developed by Courage as a basis, the Department fund and implement a data collection, monitoring and evaluation strategy that is practical and proportional to the costs and aims of the program.
- R7. The Department develops and implements an exit strategy for the end of the announced funding commitment and works with the AAA to develop a business model for the program to continue as a self-sustaining commercial proposition or with alternative sponsorship arrangements.
- R8. The Department use its available resources and national influence to identify, promote and facilitate the implementation of best-practice measures to improve novice driver safety (for example, graduated licensing systems) through research, data collection, benchmarking, and nationally coordinated policy development.

Introduction

Keys2drive is a learner driver program developed and operated by the Australian Automobile Association (AAA) and its constituent motoring clubs, and funded by the Australian Government since 2008.

Keys2drive was selected for a Department of Infrastructure and Regional Development (the Department) Priority Evaluation in 2012-13 to assess the appropriateness, effectiveness and efficiency of Keys2drive, gain stakeholder feedback and examine options for the future. The Priority Evaluation has the following Terms of Reference (ToR):

1. Whether the recommendations of the evaluation undertaken in 2010 had been implemented and if not, why not; and if so, an assessment of their effectiveness in terms of program efficiency and improved program delivery, and recommendations for further improvements.
2. An assessment of the program's effectiveness and efficiency in terms of the program's objective to improve the safety of novice drivers and make a contribution to road safety.
3. Whether the agreed program targets, as they apply to learner drivers and driving instructors, including timeliness of delivery and measures of client take-up rates and satisfaction, were being met by the program managers, the AAA, and if not, recommendations for rectification and improvement.
4. An assessment of the program's management by the AAA against the reporting, governance and financial requirements mandated in the Funding Agreement and subsequent Deeds of variation.

Background

Keys2drive was developed by the AAA and its constituent motoring clubs, building on an existing program (called Keys2drive) owned and operated by the Royal Automobile Club of WA, and a similar program (Parent Plus) run by the Royal Automobile Club of Victoria. In 2007-08, the Australian Government agreed to provide \$17 million over five years to fund the implementation of Keys2drive as a national program.

Keys2drive was designed to improve the safety of novice drivers by fostering a three way partnership between learners, their supervising driver (usually a learner driver's parent) and a Keys2drive accredited professional driving instructor.

The specific objectives of the program are to:

- encourage learner drivers to get more, and better quality, on-the-road experience; and

- assist their supervising drivers (mainly parents) to become better informed and more confident in undertaking their important role.

The rationale for these objectives is that an increase in the amount of supervised driving experience gained by novices in the learner period leads to a reduction in their risk of crash involvement after they graduate to a provisional licence. This assumption is based on well-known research evidence that has underpinned moves by state and territory licensing authorities to mandate and/or encourage increases in the number of supervised driving hours needed to qualify for a provisional licence.

Keys2drive provides learner drivers accompanied by their supervising drivers with free lessons from an accredited instructor. It also supports learner drivers with educational material and supervising drivers with practical guidance on how to provide effective supervision to a learner driver.

When the program was first established, it provided each learner and accompanying supervisor with one free 45-minute lesson. However, subsequent adjustments to the program extended the lesson to a 60-minute session comprising one half-hour theory lesson followed by one half-hour practical driving lesson; these are counted as two free lessons for the purposes of monitoring program delivery.

Keys2drive had three deliverables under the Government's original funding agreement with the AAA:

1. Development and administration of a voluntary accreditation program for driving instructors;
2. Development and maintenance of a website; and
3. The delivery of 200,000 free lessons by an accredited driving instructor to a learner driver when accompanied by their supervisor, by the end of the funding agreement.

Current government funding for the program is due to expire late in 2013. The Australian Government has already committed a further \$10 million to extend Keys2drive until 2015-16.

Evaluation Methodology

The Priority Evaluation comprised the following three elements:

1. Oakton Review

In 2012, a review of Keys2drive was undertaken by Oakton Accounting and Assurance (hereafter the Oakton review) to assess the efficiency and effectiveness of the program in meeting its objectives. A summary of the findings and progress in implementing the management response to the Oakton Review is at Appendix 1.

The review sought to address the four ToR specified by the Department for the Priority Evaluation. However, the Priority Evaluation Steering Committee considered that further work was required to comprehensively address ToRs two and three.

2. Transport and Road Safety Research (TARS) Preliminary Evaluation

In 2012, the AAA commissioned the Transport and Road Safety (TARS) Research Group, UNSW to undertake a preliminary evaluation of the impact of Keys2drive on the safety of provisional drivers (hereafter the TARS report)¹.

The TARS report drew on AAA feedback surveys of learners and supervisors, and a follow-up survey of Keys2drive participants after they had been on P plates for at least six months. Results were then compared with samples of young drivers drawn from previous unrelated studies. The Executive Summary of the TARS Report is at Appendix 2.

3. Courage Partners Documentation Review and Stakeholder Consultation Project

The Department engaged Courage Partners (Courage) to undertake a desktop review and stakeholder consultation project to gain feedback from driving instructors, safety experts, AAA, and key industry and government stakeholders on aspects of the Keys2drive program (see executive summary at Appendix 3). This included an online survey of Keys2drive driving instructors (592 respondents) and face-to-face and telephone interviews with nominated representatives from key stakeholder groups.

The project was guided by the following key research questions:

1. Determine the effectiveness of the keys2drive program in achieving its primary objectives (encouraging learner drivers to get more on the road experience, and assisting their supervising drivers to become better informed and more confident in performing their supervisory role).
2. Assess the efficiency of program delivery.
3. Investigate the effectiveness of the program in improving the safety of P-Plate drivers.
4. Examine the role of the Commonwealth in the delivery of novice driver safety initiatives.

¹ TARS Research report for the Australian Automobile Association. March 2013.

Key Findings

ToR 1: Whether the recommendations of the evaluation undertaken in 2010 had been implemented and if not, why not; and if so, an assessment of their effectiveness in terms of program efficiency and improved program delivery, and recommendations for further improvements.

In 2010, an evaluation was undertaken for the AAA by **Dr Ken Ogden** (hereafter the Ogden Report) which focused on implementation issues and how Keys2drive could be better delivered and structured. The evaluation, conducted early in the program, found that there were a number of administrative issues that needed to be resolved including the low take-up of accreditation by driving instructors (see Executive Summary at Appendix 4, detailing the main findings). However, the evaluation considered that the ‘...learning design is pedagogically sound and evidence based, being based on coaching (as distinct from training or instructing) which is a significant advance in learner driver education.’²

The **Oakton Review** found that Keys2drive had been improved by the implementation of the Ogden Report recommendations. Of the 12 Ogden recommendations, seven have been implemented entirely while five required additional work. A full assessment against each of the 2010 Ogden recommendations is provided at Appendix 4.

In particular, it was noted that the recommendation for AAA to develop a study design to measure progress towards the program goal for participants to be safer drivers on P-plates had not been met. The TARS report was subsequently commissioned in response to this finding.

The Oakton Review made the following four recommendations:

- (OR1) The AAA to develop the business case to ensure that it reflects all requirements of the contract and variations.
- (OR2) The Department and the AAA to develop a complete set of performance measures to ensure the program is informed by all available information.
- (OR3) The AAA to develop and regularly review a risk management plan.
- (OR4) The Department and the AAA to establish suitable governance structures to oversight program delivery.

A management response was developed following the completion of the Oakton Review, and a progress report on the implementation of these actions is included at Appendix 1. As part of that management response, the Department engaged Courage Partners to develop a program logic, high level performance measures for the Keys2drive program and an outline

² Keys2drive evaluation, Ken Ogden and Associates Pty Ltd, November 2010, p3.

monitoring and evaluation strategy to assist program staff to manage the program in the future (see Appendix 5).

Finding 1 - The Keys2drive program has been improved by the implementation of the 2010 Ogden review recommendations, although in some cases those recommendations had not been implemented to the fullest extent, and there is scope to further improve delivery and/or program governance.

ToR 2: An assessment of the program's effectiveness and efficiency in terms of the program's objective to improve the safety of novice drivers and make a contribution to road safety.

The Keys2drive program was developed with the specific objectives of encouraging learner drivers to get more, and better quality, on-the-road experience; and assisting their supervising drivers to become better informed and more confident in their role. Research evidence supports the idea that an increase in the amount of quality supervised driving experience gained by novices in the learner period will lead to a reduced level of risk of crash involvement after they graduate to a provisional licence.³

Previous reviews of Keys2drive have taken the phrase “six months on Ps – zero harm” to be an expression of a fundamental goal of the program, and have called for the measurement and monitoring of outcomes in relation to this goal. However, AAA did not intend for “zero harm” to be treated as a formal program goal. The phrase was a way to describe the aims of the program for prospective participants, while raising awareness of the elevated crash risk faced by newly licensed drivers when they first drive unsupervised.

The Oakton Review found that there was no data to confirm the effectiveness of the program in meeting its objective, measure progress towards the program goal for participants to be safer drivers on P-plates, or confirm the effectiveness of the learning design model. As a result, the Oakton Review made the following recommendation:

(OR5) The Department and the AAA agree a scope, methodology and timetable to assess the impact of the Keys2drive program on road safety and whether the program goal has been achieved.

In response to this recommendation, the AAA commissioned the TARS report, which is discussed in more detail in the following sections.

Context

While Keys2drive is a national program, driver licensing requirements and other novice driver safety interventions are different in each state and territory. This includes different

³ OECD, 2006. “Young Drivers: The Road to Safety.”

political agendas, legislation, and delivery mechanisms. For example, most states and territories have a graduated licensing scheme/system (GLS) of some kind, but these vary across jurisdictions.

Furthermore, the number, and extent of novice driver safety programs, interventions and campaigns being delivered in each jurisdiction range from well established and coordinated, to new and not many.

Differences in approach and emphasis are also evident among the state and territory motoring clubs with respect to novice driver training. For example, in Victoria, the Royal Automobile Club of Victoria (RACV) has a large driving school of 130 driving instructors. All instructors have to be Keys2drive accredited and deliver at least 20 Keys2drive lessons a quarter. However, in some other clubs, driving instruction is not a big part of their business.

Effectiveness in achieving the Keys2drive primary objective

This section focuses on answering the following evaluation questions:

- how effective was Keys2drive in equipping the learner and supervisor with knowledge about how to optimise the pre-license experience?;
- how effective was Keys2drive in supporting supervisors in carrying out their role?; and
- whether Keys2drive enhanced learners' experience before graduating to their Ps in terms of whether there had been a change in program participant's behaviour as a result of their involvement in the program?

The TARS report drew some positive conclusions on the effectiveness of Keys2drive in achieving its objectives in changing pre-licence behaviours, while noting the limitations of the study and that these findings should be considered indicative. These were based on the findings of AAA surveys of both learners and supervisors, which included questions about participants' understanding of Keys2drive concepts before and after participation in the program. The results indicated positive results for both novices and supervisors, including increased knowledge about risks faced by P platers, increased knowledge about the benefits of getting long, wide and deep experience, increased commitment to gaining such experience, and increased commitment to achieving "six months on P plates with zero harm as a good foundation for lifelong safe driving."

The online survey conducted by TARS was more ambivalent about whether the program had changed pre-solo licence behaviours. Learner and supervisor respondents indicated that while the program had not encouraged them to gain more driving experience, it had encouraged them to gain a depth and variety of experience.

Courage reported that driving instructor survey respondents were positive in relation to the program's impact on both learners and supervisors. Over 80% of survey respondents strongly agreed/agreed that Keys2drive:

- Encourages learner drivers to gain more supervised hours and more experience in a range of driving conditions; and
- Equips learner drivers with knowledge about what they need to do to optimise their pre-licence driving experience.

Responses were similarly positive in relation to the impacts of Keys2drive on supervisors:

- 95% strongly agreed/agreed that keys2drive was effective in assisting supervisors to become more confident in their role; and
- 89% strongly agreed/agreed that the program equipped supervisors with knowledge about what learner drivers need to do to optimise the learner's pre licence experience.

In terms of whether program participants actually do gain more supervised hours and more experience, the majority of respondents perceived that Keys2drive learner drivers:

- Do gain more supervised hours (66% strongly agreed/agreed); and
- Do gain more experience in a range of different driving conditions before they go for their P licence (77% strongly agreed/agreed).

Qualitative comments supported these positive views and highlighted that Keys2drive appropriately places a focus on the supervisor in the learner driver's development. The program's emphasis on the role of the supervisor/parent was also regarded positively by most state agencies interviewed.

While the survey results and the majority of comments were positive, some driving instructors questioned the effectiveness of 'the one hour lesson' in changing pre-licence behaviours. Other responses indicated that the impact of Keys2drive may not be confined to the one hour lesson, with some respondents indicating that they incorporate Keys2drive messages and coaching methodology routinely in their day to day instruction.

Noting the absence of data, the AAA and motoring clubs also indicated a general perception that Keys2drive was having a positive impact based on the teaching design being regarded as best practice, positive feedback from participants and driving instructors, and a higher standard of driving instruction among instructors involved in the program.

The state agencies and safety experts interviewed were more circumspect about program effectiveness and the extent to which the program has achieved its objectives. There was a general view that the Keys2drive program and philosophy, with its focus on safe driving and

the involvement of supervisors/parents, was sensible; and that in theory, it has the potential to achieve its objectives – but in the absence of data, how far the potential translates into the actual is difficult to determine.

Furthermore, the degree of impact of Keys2drive in isolation is hard to determine in light of the number and variety of novice driver requirements and interventions already in place. The majority of state agencies and third party insurers interviewed considered that the potential impact of keys2drive could be much more significant in jurisdictions where there are not as many other programs in place for novice drivers.

Effectiveness in improving the safety of P-plate drivers

This section focuses on the extent to which Keys2drive is contributing to improved safety outcomes for Keys2drive graduates and the robustness of the safety rationale.

The TARS study, commissioned by the AAA, was an attempt to use available data to address as far as possible whether Keys2drive led to improved safety outcomes for provisional licence holders during their first six months of unsupervised driving.

TARS carried out an on-line survey of former Keys2drive participants (after they had been on P plates for at least six months). In the absence of a formal control group for this component of the study, TARS used comparison samples of young drivers drawn from previous unrelated studies.

In comparing former program participant survey responses with other samples of young learner and provisional drivers, TARS found a number of differences (including holding their learner licence longer, spreading out their practice over the whole learner period, a higher total number of hours of supervised driving, and fewer reported or recorded offences or crashes) supportive of a conclusion that the program may keep drivers safer as P platers.

Acknowledging the considerable limitations of the study design, TARS drew indicative conclusions only. TARS reported that this analysis “... provided additional indication that the Keys2drive initiative might be achieving its objective to enhance the learner driver experience and help keep drivers safer during the first six months of the provisional licence period”.

However, the authors emphasised that these findings should be considered indicative only given the methodological limitations of the study, noting that they are based on samples of unknown representativeness, low response rates and without an appropriate control group.

In this context, TARS recommended that a prospective evaluation with a control group be undertaken in future, suggesting that this would require negotiations with state licensing authorities to determine consent and control group identification according to relevant privacy legislation.

Courage reported that the majority (66%) of driving instructor survey respondents perceived that learners who participated in Keys2drive were less likely to be involved in crashes once they were on their P plates than drivers that did not participate in the program.

State agencies and safety experts felt the logic of the program was robust in that more driving experience with good driving instructors will provide 'better' drivers. The philosophy and education approach was regarded as being in line with best practice and adult learning approaches. However, safety experts have different views about the value of professional driving instruction. Some referred to research which suggests that a balance of 'lay' supervision and professional instruction is optimal; others emphasised that there is no clear evidence that professional instruction leads to novice drivers being any safer or less safe.

The majority of safety experts indicated that graduated licensing is the most effective and proven strategy to improve the safety outcomes of novice drivers, and a number of safety experts expressed concerns about the cost of the program and whether the money allocated to Keys2drive could be better invested elsewhere.

While not one of its objectives, where the program does seem to have had a notable impact is on the driving instructor community, whereby Keys2drive has been the first widespread initiative to enhance the quality of driving instruction. The Ogden Report in particular noted the value of the driving instructor accreditation scheme and the AAA, motoring clubs and safety experts perceived that raising the level of driving instruction through the voluntary accreditation scheme was a key area of success. The perceived consequence is that that better instructors will provide better/more effective driving lessons and, as a result, safer novice drivers.

Finding 2 – In the absence of data to measure the program's effectiveness, feedback from stakeholders and indicative research findings suggest that the Keys2drive program has been effective in encouraging learner drivers to get more experience in a range of different driving conditions and assisting their supervising drivers to become better informed and more confident in their role.

Finding 3 - The potential impact of Keys2drive is likely to be much more significant in jurisdictions where there are not as many other programs in place for novice drivers.

Finding 4 –Keys2drive has had a positive impact in raising the standard of driving instruction among instructors involved in the program.

Efficiency

The Oakton Review found that the Keys2drive program had been efficiently administered by the AAA. All three deliverables for the program have been achieved: the driving instructor accreditation framework, the program website and the delivery of lessons to learner drivers. However, as discussed under ToR 1, further areas for improvement were identified.

Further discussion on the efficiency of the program is included under ToR 3.

Finding 5 – While areas for improvement have been identified, the Keys2drive program has been efficiently administered by the AAA.

Role of the Commonwealth in novice driver safety

In the stakeholder consultations conducted by Courage, there were differing views about the appropriate role for the Commonwealth in novice driver safety.

State agencies and safety experts perceive that the Commonwealth has a role in novice driver safety, but not ideally in program delivery. There is considerable variation between jurisdictions in both their driver licensing arrangements and the range of programs available for learner/novice drivers; in some states this is a crowded space. These stakeholders thought program delivery was best managed at the state/territory level.

Most of these stakeholders noted the importance of improving graduated licensing systems (GLS) as a proven approach to improve novice driver safety, and thought that the most valuable role the Commonwealth could take would be in national coordination and leadership of efforts to improve GLS across Australia.

State agencies and safety experts also see a more valuable Commonwealth role in providing leadership and facilitation of national research and a more consistent approach in the novice driver space, including benchmarking, setting standards and facilitating best practice and consistency. Such a role was acknowledged to be a significant challenge, but was also thought to be consistent with the Commonwealth's role in implementation of the National Road Safety Strategy.

Driving instructors noted that the Keys2drive program is the only national program that supports their professional development, and they perceive supporting the national accreditation of driving instructors as an appropriate Commonwealth role. Several motoring club representatives also suggested that Keys2drive could become a strong national accreditation scheme if the focus was redirected to the driving instructor industry.

Notwithstanding the above, a significant majority (82%) of driving instructor respondents strongly agreed/agreed that the Keys2drive program fills a gap in novice driver safety initiatives. Further, the AAA and the majority of clubs considered:

- Keys2drive should be a national program – if administered separately by each state/territory, the program would be inconsistent and lose economies of scale;
- there are no other programs that match Keys2drive and anecdotally it has been reported as being effective in terms of safety outcomes. They considered it has been particularly useful in improving the quality of professional driving instruction;
- ‘it would be a shame’ if Keys2drive was discontinued, as the program has ‘just reached a stage where it has started to gain traction’ (in terms of numbers of drivers accredited and awareness of the program).

Finding 6 – There is an opportunity for the Commonwealth to play a national leadership role in improving graduated licensing systems, facilitating national research, benchmarking, and best practice.

ToR 3: Whether the agreed program targets, as they apply to learner drivers and driving instructors, including timeliness of delivery and measures of client take-up rates and satisfaction, were being met by the program managers, the AAA, and if not, recommendations for rectification and improvement.

The Oakton Review found that the program had met the target for delivery of lessons to date and should meet the overall program requirement, though it was unlikely to reach the 200,000 lessons target within the current timeframes (September 2012). Subsequently, the original program delivery target of 200,000 free lessons was achieved in September 2013, following an extension of the program.

The Oakton Review raised concerns regarding the quality of Keys2drive program data. In particular, data anomalies suggested that some learners may have obtained multiple free lessons and some instructors may also have taken advantage of weaknesses in the registration system. As such, the Oakton Review made the following recommendation:

(OR6) The AAA change the registration system to address these weaknesses, (7) monitor driving instructor claiming habits to detect misuse, and (8) agree with the Department a methodology for cleansing and integrating the data to address misuse of the program.

As a result, amendments were made to the registration system, including mandatory requirements for providing basic details such as sex, age and location, to enable analysis of participant demographics in the future and provide better controls for the registration process. Further management response actions to implement this recommendation are detailed at Appendix 1.

Client Satisfaction

Drawing on AAA feedback surveys of learners and supervisors, TARS reported that both groups largely provided positive feedback about the process of participating in Keys2drive, including registering, waiting time to access a free lesson, and all aspects of dealing with the instructors.

Driving instructors also provided very positive responses to survey questions around the efficiency of the program. Over 90% strongly agreed/agreed:

- that participants were satisfied with the way the keys2drive program is delivered; and
- that they (the respondents) were satisfied with the way the keys2drive program is conducted.

Finding 7 – Participants, supervisors and driving instructors are generally satisfied with the Keys2drive program.

Program Take-up

While Keys2drive is a national program, with free lessons available in all states and territories, the uptake of the program among instructors and learner drivers across Australia is far from balanced across states and territories; and in most jurisdictions, accredited driving instructors are more likely to be situated in metropolitan areas.

Courage reports the AAA considers that Keys2drive has made good penetration since program inception. Of the 5,500⁴ driving instructors that AAA estimate operate in Australia, 3,646 have registered an interest on the Keys2drive database and 1,227 are Keys2drive accredited (as at 14/6/2013). Based on these figures, at present, about 22% of driving instructors in Australia are accredited with Keys2drive.

⁴ Estimate based on research undertaken at the inception of keys2drive. (Note this figure may be inflated as it also includes bus instructors, truck instructors etc.)

Figure 1 shows the state and territory distribution of these drivers, and highlights the majority is in Victoria, New South Wales and Queensland.

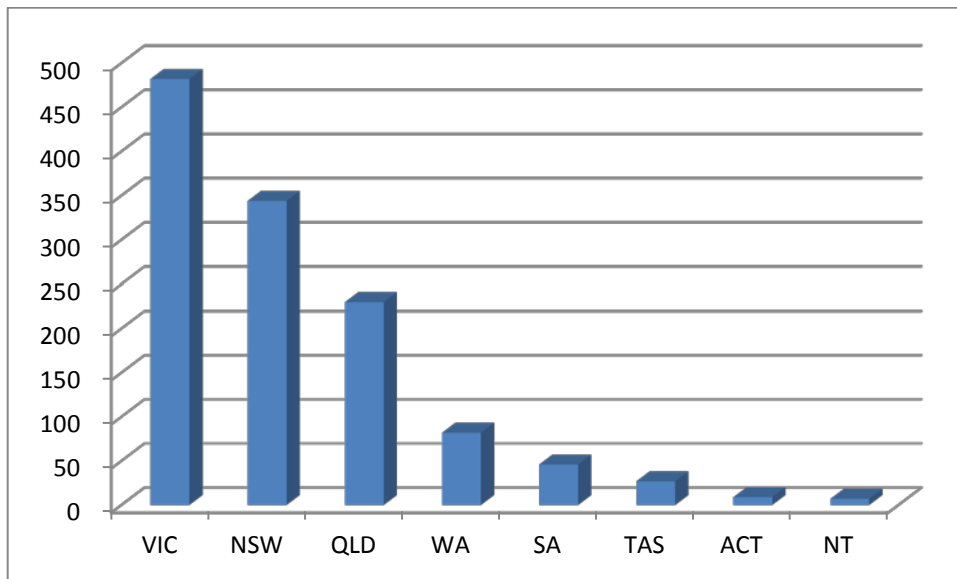


Figure 1 - showing distribution of accredited Keys2drive driving instructors by state and territory (total of 1,227 accredited driving instructors as at 14/6/2013)

A total of 179,964 Keys2drive lessons have been delivered (as at 14/6/2013). The distribution of free lessons delivered closely reflects the location of driving instructors, with the greater number of lessons been delivered in Victoria, New South Wales and Queensland (see Figure 2).

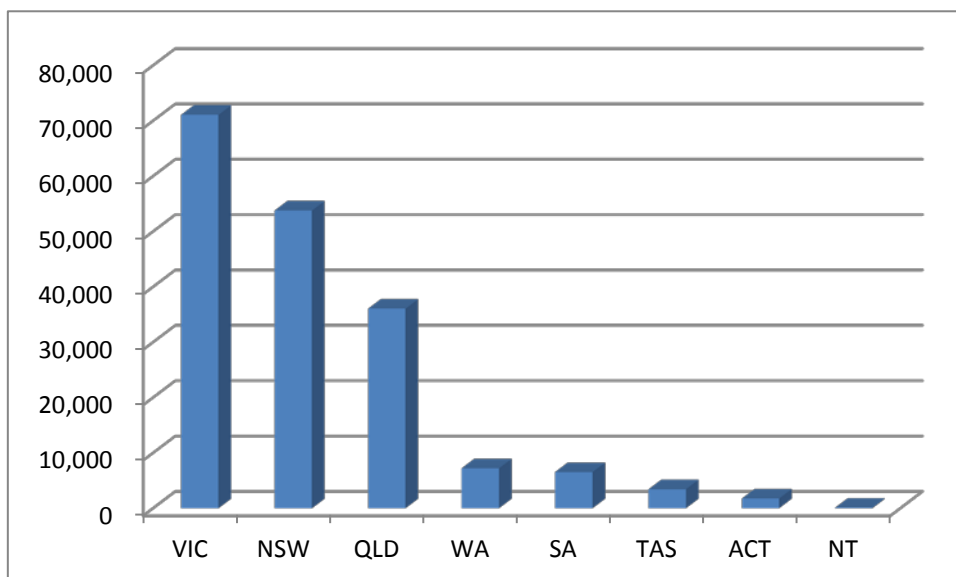


Figure 2 - showing the distribution of the number of Keys2drive lessons delivered by state and territory (Total of 179,964 lessons delivered as at 14/6/2013)

The TARS study and driving instructor survey indicated that Keys2drive learner demographics are perceived to be generally the same as learner drivers not participating in the program, although the survey results indicated that instructors perceive Keys2drive learners and supervisors might be more safety conscious. This is demonstrated by the following anecdotal comment:

The learners are about the same as most. Families who choose Keys2drive usually have a safer driving culture though. They think it is important enough to bother having this session.

56% of driving instructors surveyed by Courage thought that the program was attracting those who would most benefit from it. However, survey comments and follow up phone interviews indicated that some driving instructors perceive there are groups the program could better target, such as: disadvantaged young people, internationals and older drivers.

Finding 8 – The take-up of Keys2drive lessons closely reflects the distribution of Keys2drive accredited driving instructors, with the majority in Victoria, New South Wales and Queensland.

Marketing and Promotion

While survey results indicated driving instructors were satisfied with program delivery, qualitative responses identified an area for improvement around marketing, promotions and publicity. This view was echoed in interviews with state agencies, third party insurers and safety experts.

The AAA acknowledged the criticisms around poor marketing and promotions (particularly early on in the program's life). It has intentionally limited expenditure on marketing and administration to ensure the maximum was spent on lessons (aiming for about 85% of program funding).

The AAA determined that the best way to market the program was through the driving instructor community. This may have contributed to observations by state agencies and third party insurers that there is a general community perception that Keys2drive is a motoring club/driving instructor program and not a Commonwealth-funded initiative.

Finding 9 – There is a perception in the community that Keys2drive is a motoring club/driving instructor program rather than a Commonwealth-funded initiative.

Finding 10 - The marketing and promotion of Keys2drive is an area for improvement.

Evaluation and data collection

The AAA collects information about participants via the Keys2drive registration process and surveys. As at 14/6/2013, there were 152,614 learner drivers and 11,688 supervisors registered on the AAA database (note, it is not compulsory for a supervisor to register with the program), but there is limited information about participant demographics. This is because, firstly, the AAA has only collected full demographic details about participants with rigour in the past nine months through amendments to the registration process. Secondly survey response rates from learner drivers are around 20%-25% and supervisor survey response rates are very low.

In interviews with state agencies, third party insurers and safety experts, the need for a data collection and evaluation strategy was highlighted. It is concerning to those in the field that an 'outcome evaluation' has not yet been done, nor was one planned from the outset. It was however acknowledged, that evaluating road safety programs is challenging because there are so many contributing factors. The draft monitoring and evaluation strategy at Appendix 6 provides a sound basis for monitoring, evaluating and reporting on any future similar program, or indeed the continuation/extension of this program.

Finding 11 - There is a need for a data collection and evaluation strategy for Keys2drive.

ToR 4: An assessment of the program's management by the AAA against the reporting, governance and financial requirements mandated in the Funding Agreement and subsequent Deeds of variation.

The Oakton Review found that the AAA has effectively complied with the original contract and the variations as they came into effect and all reporting requirements have been met.

While the AAA had spent more on lessons than was allowed under the budget in the 2011-12 financial year, this was due to greater than expected take-up of the program, and was funded through reduced administration and marketing costs.

The Oakton Review noted that there were elements of the governance framework that could be improved. For example, as addressed under ToR 3, the front-end controls to manage entitlement to a free lesson and subsequently trigger payments to driving instructors were not fully effective.

Finding 12 – The AAA has effectively complied with the original contract and the variations as they came into effect and all reporting requirements have been met.

Suggestions for Improving the Program

In the course of their consultations with stakeholders, Courage received suggestions from various stakeholders for possible improvements to the program. These are considered in more detail below.

Suggestions for improving the program if it continues in its current form

Better marketing and promotion

Several stakeholders highlighted the need to improve the marketing and promotion of the Keys2drive program, which to date has been focused primarily through motoring clubs and driving instructors to minimise costs. Further, Keys2drive is recognised in the community as a motoring club program and not a Commonwealth funded initiative.

Marketing is a key tool for helping ensure the program reaches those who will benefit most from it. A capped, dedicated marketing budget should be identified for any future program. To gain the most value, marketing activities should focus on promoting the program:

- to attract Keys2drive accredited driving instructors in jurisdictions and regional areas where take-up is currently low;
- in jurisdictions where there are few other novice driver safety initiatives;
- to disadvantaged and at risk groups; and
- to include appropriate recognition that Keys2drive is a Commonwealth funded initiative.

Establishing a data collection and monitoring and evaluation strategy

The lack of available and credible data to examine the impact of the current Keys2drive program was noted by stakeholders and highlights the need to incorporate data collection, monitoring and evaluation considerations into up-front program design.

The monitoring and evaluation strategy developed by Courage (Appendix 5) in consultation with the AAA and the Department of Infrastructure and Regional Development should be used as a basis for finalising and putting in place a data collection plan and evaluation strategy prior to the commencement of any future program. To improve the certainty for all stakeholders, data collection requirements should be detailed in the funding agreement.

Targeting the program to disadvantaged or at-risk learners

Qualitative survey responses and interviews with key stakeholders highlighted that some feel the program could be better targeted, and provided anecdotes regarding access problems. These are demonstrated in the following comments:

I believe on the whole, the people who use the program are the more conscientious parents who want to do the best by their offspring. They are likely to do a better supervisory job anyway. Somehow we need to target the ones who are really not bothered about producing safer drivers.

I believe that the program does not attract any one who has any issues with authority and has an attitude that encourages risky behavior. These drivers won't let their supervisors see them caught out making errors that can be used against them later.

There are many people excluded by economic, family or isolation reasons.

... would have liked to see more learners through the outback receive the program. I had calls from learners wanting to use their free lesson, but was unable to access an accredited Keys2drive instructor.

State agency representatives felt that Keys2drive would be more beneficial if minority groups were better targeted, in particular learners who are disadvantaged or at risk – those with no car or no supervisor, and those living in regional and remote areas including Indigenous communities.

As uptake of Keys2drive has been much stronger in the eastern mainland states, and also in metropolitan areas, there would be benefit in achieving greater participation (by both driving instructors and learners) in the other jurisdictions and in regional areas.

There would be a number of options to help target the program to disadvantaged learners. Firstly, indigenous, regional and remote communities, and those from low socio-economic backgrounds could be targeted with specific marketing campaigns. Secondly, as the supply of driving instructors in these areas is likely to be limited, the program could consider sponsoring driving instructors to visit these regions for short periods of time, with the available lesson times advertised along with the promotional activities conducted in advance to ensure maximum economies of scale from the visit.

This option could be pursued while still allowing access to the general novice driver population. It is likely to be more costly per lesson, and therefore the total number of lessons delivered within the available funding will be reduced. However, the impact of the program may be potentially greater if those at greatest risk and disadvantage are reached.

There was also a suggestion that the program could target learners without a car. While participants currently undertake a Keys2drive lesson in their own supplied vehicle, many driving instructors have vehicles they use for commercial driving instruction. In exceptional circumstances where a learner and their supervisor have no access to a vehicle, the program could allow the use of a driving instructor vehicle for the Keys2drive lesson. This should involve very little additional cost, have little or no impact on the safety value of the lesson, and ensure those at risk are not precluded from accessing the program because of their circumstances.

However, the suggestion of targeting learners with no supervisors is at odds with one of the fundamental objectives for Keys2drive participation – to assist supervising drivers to become better informed and more confident in undertaking their role. Without a supervising driver, it is also unlikely that the learner can practically gain more, and better quality, on-the-road experience as a result of Keys2drive participation. Such learners and their needs would be better met through an alternative support mechanism or program targeted to their circumstances.

Adding a follow-up lesson

A suggestion from safety experts for improving the program was for the inclusion of a follow-up lesson. One safety expert highlighted that the timing of such a follow-up lesson was important, and should take place at the stage where a learner's actions had become more natural and instinctive; 'the automated stage of driving'.

The AAA driving instructor poll conducted in November 2012 highlighted that Keys2drive learners typically book more professional lessons. When asked about the extent to which Keys2drive clients have rebooked more lessons – 23% of respondents estimated between half and three quarters of Keys2drive clients rebook, and 38% estimated more than three quarters rebook.

Including additional lessons would significantly increase the cost of delivery per learner and thereby reduce the number of learners who may benefit from the program. While a follow-up lesson would be desirable, the incremental benefit from the investment is not likely to be as great as the investment in an initial Keys2drive lesson, given many Keys2drive participants already go on to receive professional driving instruction. Therefore, with finite funding resources, funding is likely to have a greater impact by being directed toward achieving greater penetration for the initial lesson.

Incorporating techniques such as commentary driving

It was suggested that other useful learning techniques could be employed in the Keys2drive lesson, such as commentary driving – where the driver says out loud what they are thinking about as they are driving; demonstrating to the supervisor and driving instructor what they are thinking about.

In the context of the continuous improvement of the program, driving instructors should be encouraged to trial and incorporate new techniques and provide feedback to the AAA on their use. As the program manager, the AAA could actively promote such techniques through regular communications to driving instructors (such as monthly email newsletters).

Incorporating new technologies

Motoring club representatives suggested updating the Keys2drive program to keep up with new technologies such as tablets and smartphones. Little detail on how the technology should be used to improve the Keys2drive program was provided. However, given the younger generation's increasing reliance on such technologies for information transfer, and its relatively low costs, options for improving Keys2drive through the use of new technologies, such as enhanced follow-up communication or simulated driving experiences, could be explored with the AAA and driving instructors.

Auditing of lessons

In interviews with state agencies and third party insurers, it was suggested that Keys2drive could be improved with the auditing of lessons to ensure that the coaching techniques and program details were being effectively implemented by driving instructors.

Given the relatively small size of the program, a modest and random audit of Keys2drive lessons would help the AAA to provide assurance to the Commonwealth and the Australian public of the quality of delivery of Keys2drive lessons, while simultaneously providing an opportunity for continuous improvement.

Suggestions for refocussing the program

Establishing a national driving instructor accreditation scheme

The Ogden report highlighted the positive impact of the Keys2drive driving instructor accreditation scheme and stated that it would be unfortunate if it were discontinued. Further, several motoring club respondents suggested that Keys2drive could become a strong national accreditation scheme if the focus was redirected to driving instructor professional development, and ensuring the rigour of the accreditation scheme.

Should the Commonwealth decide to support a refocused Keys2drive program, the continuation of a national driving instructor accreditation scheme appears to have merit and would be an appropriate role for the Commonwealth.

Opening the program to new entrants and older drivers

As well as disadvantaged young people, some driving instructors interviewed suggested that the program could also cater to other 'at risk' groups such as older drivers (those renewing their licence) and internationals (including refugees).

The factors impeding the safety of older drivers are likely to be very different to those for novice drivers. For example, older drivers seeking to renew their licences already have considerable driving experience and are unlikely to benefit from a program focussed on encouraging more and a greater variety of experience. Further, given the integral role of

the supervisor in Keys2drive lessons, the benefit to older drivers who are unlikely to have a supervisor would be limited.

Similarly, new entrants may also have had considerable driving experience, though they may be unfamiliar with Australian road rules. If the new entrant holds a learner permit, they would already be eligible to access the program in its current form. Marketing activities may be used to emphasise this.

Suggestions for an alternative role for the Commonwealth

A number of stakeholders considered the Commonwealth had a national leadership/coordination role in novice driver safety, but not in program delivery. The following alternative, or complementary roles, were suggested:

Supporting Graduated Licensing System (GLS)

Based on consultations conducted by Courage, safety experts perceive that if the Commonwealth wishes to remain in the area of novice driver safety there is better value to be gained in supporting a GLS rather than a program such as Keys2drive.

The general conclusion from safety experts interviewed was that the most powerful intervention regarding novice driver safety outcomes is the GLS, as evidence shows that the more extensive the GLS; the greater the safety impacts.

This same view was shared by state agencies who indicated that, relative to their overall needs, a program like Keys2drive is peripheral. It was evident that most states were focusing on the GLS - which they regard as a proven strategy to reap positive safety outcomes. In general, the state agencies view Keys2drive as an expensive program for what it delivers.

Many states already require learners to obtain 100 hours or more of supervised driving practice as key components of relatively strong graduated licensing systems, and they also provide a range of programs to support novice driver development. While there is no data available to test the supposition, it is arguable that Keys2drive will have less impact in these states than in jurisdictions without comparable regulatory incentives and programs encouraging learners to gain extensive experience.

Notwithstanding the reported benefits of Keys2drive, feedback from the States and the views of safety experts suggests that an alternative role for the Commonwealth in facilitating national consistency and best practice in the GLS for novice drivers may achieve greater safety outcomes for the Commonwealth's investment.

National research, co-ordination and leadership

State agencies and safety experts interviewed by Courage also perceived there was a 'huge' opportunity for the Commonwealth to set standards and facilitate best practice and consistency in the novice driver space across jurisdictions. This included facilitating national and joint research (where high quality research is needed⁵ and there are many issues on the research agenda for novice drivers), driving national strategy, benchmarking and promoting best practice (for example, associated with the implementation of the National Road Safety Strategy).⁶

There are opportunities for the Commonwealth to use its available resources and national influence in this regard through Austroads, the association of Australian and New Zealand road authorities. An appropriate and perhaps more effective mechanism for the Australian Government to pursue improved novice driver safety nationally is through its contribution to and participation in the relevant Austroads streams of work, particularly the Licensing and Registration, and Safety programs.

Possible alternative funding of Keys2drive

Though not well recognised as a Commonwealth initiative, by funding the Keys2drive program and providing a free lesson to learner drivers, the Government has likely created some level of expectation in the community that such arrangements will continue.

In 2010 the Ogden report noted that the AAA was actively considering sustainability of the program beyond the Commonwealth funding commitment. The AAA has advised the Department that efforts to find a suitable alternative funding arrangement were not successful. The Department is aware of one potential sponsorship proposal, but this was still contingent on the Commonwealth (or some other source) continuing to underwrite the program.

Feedback from stakeholders indicates that Keys2drive accreditation delivers some commercial benefits to driving instructors, and could therefore possibly be self-sustaining in some form, for example, with instructors accessing the accreditation scheme on a user pays basis.

The AAA driving instructor poll conducted in November 2012 highlighted that, for at least some instructors, the program is a significant part of their business model and Keys2drive learners typically book more professional lessons.

The AAA poll showed:

⁵ For example, research projects such as the P Drivers Project: a crash based trial of best practice novice driver education program involving thousands of young P plate drivers in Victoria. (Further information can be found at the project website: <http://pdriversproject.com.au/>)

⁶ The National Road Safety Strategy (2011-2020) includes actions in the area of novice driver safety including improving driver licensing arrangements.

- 92% of respondents actively promote Keys2drive to clients;
- 75% of respondents indicated that they have changed their business marketing to include Keys2drive; and
- when asked about the extent to which Keys2drive clients have rebooked more lessons – 23% of respondents estimated between half and three quarters of Keys2drive clients rebook, and 38% estimated more than three quarters rebook.

In interviews, driving instructors expressed the benefits of their involvement with Keys2drive as follows:

Driving instructors see it as a commercial advantage. Not only for the ability to advertise and provide a free lesson – but because they can advertise a standard of instruction (gold standard) and parents are demanding this kind of product.

I have been involved in 100 (keys2drive) lessons and have benefitted from the extra lessons that have been booked.

Given the noted benefits of Keys2drive accreditation for driving instructors' businesses, and the expressed merits in the Commonwealth taking on an alternative role in the novice driver space, the Commonwealth should work with the AAA to develop an exit strategy for the end of the announced funding commitment and develop a business model for the program to continue as a self-sustaining commercial proposition or with alternative sponsorship arrangements.

Summary of Findings and Recommendations

Key Findings

TOR1. Whether the recommendations of the evaluation undertaken in 2010 had been implemented and if not, why not; and if so, an assessment of their effectiveness in terms of program efficiency and improved program delivery, and recommendations for further improvements.

1. The Keys2drive program has been improved by the implementation of the 2010 Ogden review recommendations, although in some cases those recommendations had not been implemented to the fullest extent, and there is scope to further improve delivery and/or program governance.

TOR2. An assessment of the program's effectiveness and efficiency in terms of the program's objective to improve the safety of novice drivers and make a contribution to road safety.

2. In the absence of data to measure the program's effectiveness, feedback from stakeholders and indicative research findings suggest that the Keys2drive program has been effective in encouraging learner drivers to get more experience in a range of different driving conditions and assisting their supervising drivers to become better informed and more confident in their role.
3. The potential impact of Keys2drive is likely to be much more significant in jurisdictions where there are not as many other programs in place for novice drivers.
4. Keys2drive has had a positive impact in raising the standard of driving instruction among instructors involved in the program.
5. While areas for improvement have been identified, the Keys2drive program has been efficiently administered by the AAA.
6. There is an opportunity for the Commonwealth to play a national leadership role in improving graduated licensing systems, facilitating national research, benchmarking, and best practice.

TOR3. Whether the agreed program targets, as they apply to learner drivers and driving instructors, including timeliness of delivery and measures of client take-up rates and satisfaction, were being met by the program managers, the AAA, and if not, recommendations for rectification and improvement.

7. Participants, supervisors and driving instructors are generally satisfied with the Keys2drive program.

8. The take-up of Keys2drive lessons closely reflects the distribution of Keys2drive accredited driving instructors, with the majority in Victoria, New South Wales and Queensland.
9. There is a perception in the community that Keys2drive is a motoring club/ driving instructor program rather than a Commonwealth-funded initiative.
10. The marketing and promotion of Keys2drive is an area for improvement.
11. There is a need for a data collection and evaluation strategy for Keys2drive.

TOR4. An assessment of the program's management by the AAA against the reporting, governance and financial requirements mandated in the Funding Agreement and subsequent Deeds of variation.

12. The AAA has effectively complied with the original contract and the variations as they came into effect and all reporting requirements have been met.

Recommendations

Based on the findings outlined above, and suggestions made throughout the review to alter the Commonwealth's role in contributing to improved novice driver safety, or improve the Keys2drive program, the following recommendations are presented.

- R1. The Department should ensure that any future consideration of renewal or extension of the program include the option of an alternative role for the Commonwealth in facilitating national consistency and best practice in the graduated licensing system for novice drivers.
- R2. The Department and AAA identify and implement strategies to increase uptake of the Keys2drive program among driving instructors and learner drivers in those states and territories where there has been less Keys2drive activity to date and where there are few other programs in place for novice drivers.
- R3. The Department and AAA identify and implement strategies to increase uptake of the Keys2drive program among disadvantaged and at-risk groups including those from low socio-economic backgrounds, those living in regional and remote areas including Indigenous communities, and learners with no access to a car.
- R4. In consultation with the Department, the AAA develops and implements a marketing strategy for Keys2drive that includes promotional activities targeted at disadvantaged and at risk groups and geographical areas where uptake is low.
- R5. The AAA further investigates options for incorporating new technologies (eg smart phones and tablets) and different techniques (eg commentary driving) into the promotion and delivery of Keys2drive.

- R6. Using the draft monitoring and evaluation strategy developed by Courage as a basis, the Department fund and implement a data collection, monitoring and evaluation strategy that is practical and proportional to the costs and aims of the program.
- R7. The Department develops and implements an exit strategy for the end of the announced funding commitment and works with the AAA to develop a business model for the program to continue as a self-sustaining commercial proposition or with alternative sponsorship arrangements.
- R8. The Department use its available resources and national influence to identify, promote and facilitate the implementation of best-practice measures to improve novice driver safety (for example, graduated licensing systems) through research, data collection, benchmarking, and nationally coordinated policy development.

Lessons Learned

1. Specific program objective(s) need to be established with clear links to the Government's policy objectives. Identification of the key policy objective – what is the problem to be addressed, and who is the target group – is critical in the early stages of program planning.
2. Measures should be taken to ensure that program design and operation is informed by adequate stakeholder consultation – early consultation with state and territory agencies is particularly important where the program overlaps with areas of primary state and territory responsibility.
3. Program planning should also include establishment of an appropriate governance and reporting framework, which is particularly important when the Department does not have direct control of program management. Clear roles, responsibilities, lines of authority and accountabilities should be detailed and incorporated in any formal agreements between the funding and delivery parties.
4. The governance framework should be accompanied by an appropriate risk management plan, which is particularly important for program delivery elements that the Department does not have direct control over.
5. Appropriate performance monitoring measures and a program evaluation plan should be developed and implemented at the outset. This process should include:
 - determination of specific, relevant and measurable performance goals for the short, medium and long term (as appropriate);
 - identification of suitable outcome and process performance indicators, and associated data sources;
 - determination of data collection/collation procedures for regular performance monitoring and a detailed methodology for evaluation purposes;
 - consideration of funding and other resourcing requirements, which should be proportional to the cost and objectives of the program.

Appendices

1. Oakton Review: Recommendations and Management Response Progress Report
2. TARS evaluation: Executive Summary
3. Courage Documentation Review and Stakeholder Consultation: Executive Summary
4. Oakton Review: Analysis of Ogden Recommendations
5. Courage Partners Outline Monitoring and Evaluation Strategy

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 136

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Proportion of Coastal Freight carried by Licenced Vessels

Proof Hansard Page: 77 (28 May 2015)

Senator Bullock, Joe asked:

Senator BULLOCK: Senator Back asked a series of questions, and a couple of points were put on notice, with regard to freight on coastal shipping. I want to get a complete picture of that. Could you give me the proportion by weight and distance of coastal freight, firstly, with the general licence; secondly, the transitional general licence; and, thirdly, the temporary licence. Can we get that by distance and weight for those three classes on notice, please?

Ms Zielke: Thank you.

Answer:

The below table shows the proportion of coastal freight carried by vessels operating under each of the three licence types—the general licence, transitional general licence and the temporary licence—during financial year 2013–14. The first column is denominated in mass tonnes, showing the volume shipped. The second is in tonne-kilometres, which illustrate the total freight task by including the distance component for each voyage.

These figures are based on preliminary data from BITRE's *Australian Sea Freight* publication, as well as additional licencing data provided by Surface Transport Policy Division. This data may be subject to further revision and, as such, figures published in *Australian Sea Freight* (and elsewhere) may differ from those given below.

Coastal freight carried under licence, 2013-14	Proportion of total coastal freight	
	% (tonnes)	% (tonne-km)
General licence	19	7
Transitional general licence	17	19
Temporary licence	26	32

The three licence types do not account for all coastal trade, as many large intrastate routes do not operate under licence. In tonne-kilometre terms, 60 percent of the total freight task was carried under licence; in tonnes, the licences covered 62 percent of coastal trade.

73 voyages (3 percent of total) have been excluded, as the data involves units provided that could not be meaningfully converted into tonnes. An additional 70 voyages (3 percent of total) carried only passengers, and were also excluded.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 137

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Port Melville – Tiwi Islands

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

How are you not aware of this Port development at the previous Estimates hearing, given it has now acquired oversight of Ports Strategy?

Answer:

The National Ports Strategy, endorsed by the Council of Australian Governments in 2012, does not grant port development oversight responsibilities to the Commonwealth. The National Ports Strategy established a cooperative arrangement to encourage and share best practice for ports relating to improved planning and increased efficiency.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 138

Program: n/a

Division/Agency: Surface Transport Policy

Topic: International liner shipping

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Does the Department support retaining permanent cartel arrangements for international liner shipping under Part X of the Competition Law?
2. Does the Department agree that more international ships come to Australia because of this cartel arrangement, than would otherwise be the case?
3. Is the Department aware of Shipping Australia's position in removing cartel arrangements? If so, what is Shipping Australia's position?
4. Isn't the cartel arrangement anti-competitive and full of red tape?

Answer:

1. The Department's views are set out in detail in its submission made to the Competition Policy Review Draft Report in September 2014. The Department considers that it is important that shippers and shipping companies have certainty and do not face increased transaction and compliance costs through any changed regime.
2. The Department is not aware of any data that supports this contention.
3. Shipping Australia's position is set out in detail in its submission made to the Competition Policy Review Draft Report in September 2014.
4. The current arrangements available under Part X of the *Competition and Consumer Act 2010* make available to liner shipping service providers, limited anti-competitive exemptions from the general competition law.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 139

Program: 2.2 Surface Transport

Division/Agency: Surface Transport Policy

Topic: Motor Vehicle Standards Act Review

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. At what point is the Government expected to reach a final position on changes from this review? I understand that Assistant Minister Briggs has proposed draft definitions on what a personal import might constitute, including that:
 - The vehicle is a light vehicle category and is right hand drive
 - The vehicle must be manufactured no more than 12 months prior to import application
 - The vehicle is purchased from an authorised dealer located in a trusted vehicle source market; and
 - The vehicle is permitted to have a maximum of 4000kms delivery mileage
2. Has DIRD had any engagement with Customs and border security on these draft definitions, how these were developed and what implications these have at the border?
3. Can DIRD advise whether the proposed definitions are consistent with definitions used by Customs (eg the tariff schedule) elsewhere.
4. Is there a standard definition for a new or used vehicle? If so, what is it? How was that definition identified and for what purpose (eg valuation and taxation purposes).
5. Isn't it really the case that this is about used cars? 4000 km constitutes a used car doesn't it?

Answer:

1. The Government is expected to reach a decision regarding the review of the *Motor Vehicle Standards Act 1989* this year.
2. Yes.
3. There is no standard definition for a new or used vehicle.
4. No.
5. No.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 140

Program: 2.3 Road Safety

Division/Agency: Surface Transport Policy

Topic: Road safety funding

Proof Hansard Page: Written

Senator Gallacher, Alex asked:

1. In the forward estimates is the ceased funding of the regional seatbelts and keys2drive being reinvested into Road Safety?
2. Is there a \$6.7 million cut to Road Safety from the last budget to the 2018-19?
3. Why isn't funding for Road Safety going up?

Answer:

1. The Seatbelts on Regional School Buses Programme closed on 30 June 2015. Funding for the Keys2drive programme is scheduled to cease on 30 June 2016, unless the Government decides to continue the programme after considering a new proposal for funding. The answer to question 3 below details additional Australian Government funding that will contribute to improved road safety.
2. No.
3. As part of the Australian Government's \$50 billion infrastructure investment commitment, the Government announced additional funding of \$200 million for the Black Spot Programme (\$100 million in 2015-16 and \$100 million in 2016-17). This brings total funding for the Black Spot Programme to \$500 million over the five years to 2019. Other new infrastructure investment which contributes to improved safety includes \$229 million for the National Highway Upgrade Programme and an additional \$1.45 billion for the Roads to Recovery Programme over 2015-16 and 2016-17.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 141

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Improved access, and efficiency measures for agriculture industry vehicles

Proof Hansard Page: Written

Senator Edwards, Sean asked:

1. What is your engagement with the National Heavy Vehicle Regulator regarding the movement of large agricultural vehicles?
2. Are there any measures being taken to increase efficiency and road access for these vehicles? Eg Large Seeders, sprayers etc.
3. Are there any harmonisation methods which are being discussed which will better link our traffic between the states on these issues?
4. Can you give some information on the performance based schemes for Heavy vehicle use? How has this assisted the agricultural sector?

Answer:

1. The Department supports the Minister for Infrastructure and Regional Development in his role as Chair of the Transport and Infrastructure Council (the Council). The Board of the National Heavy Vehicle Regulator (NHVR) reports to the Council on matters related to the heavy vehicle industry, including regulatory matters related to the agricultural sector.

The Department also supports the NHVR in its engagement with the agricultural industry through the high level NHVR Industry Reference Forum and sub-groups which include the Agricultural Industry Operators Group and the Livestock and Rural Transporters' Industry Operators' Group.

2. The NHVR is working with state and local government level road managers to streamline the process for road network access for restricted access vehicles, including agricultural vehicles. This process includes:
 - extension and improvement to Grain Harvest Management Schemes in QLD, NSW and Victoria;
 - development of specialised exemption notices to allow the safe, efficient movement of large agricultural vehicles;
 - replacing existing class permits with one Notice consolidating all existing class permits;
 - a 12 month trial for overwidth agricultural vehicles along the Queensland coast;
 - updating a road train notice to allow quad road trains (BAB, ABB) in SA; and
 - progressing allowing tri-axle dollies on road trains in SA in partnership with the SA Government.
3. The NHVR is working on harmonisation methods to better link agricultural commodities transported between the states, and also assist in the movement of produce from the farm gate to market. These include:
 - facilitating the take-up of specifically designed higher productivity vehicles, and their access to the road network;
 - addressing first and last mile road access issues and identifying priority areas for further work in the harmonisation of existing differing access arrangements;
 - a work diary exemption for primary producers operating within 160km of their base;
 - development of a fatigue management template to allow livestock transporters easier access to flexible fatigue management arrangements;

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates 2015 - 2016

Infrastructure and Regional Development

- maintenance of key freight route maps (developed by the Commonwealth) to better identify routes between significant destinations;
 - increasing the use of pre-approved routes and gazetted Notices, reducing the need for individual permit applications; and
 - achieving more consistent roadside compliance outcomes.
4. The Performance Based Standards (PBS) scheme was established to offer the heavy vehicle industry the opportunity to achieve greater productivity and safety outcomes through innovative vehicle designs. PBS vehicles are tested against 16 safety standards and four infrastructure standards. Once approved, these vehicles are allowed to operate on networks that are appropriate for their level of performance.

Standard heavy vehicles carrying loads such as meat, wine, grain and other produce are often loaded below the trailer's available capacity to ensure the truck's axles are not overloaded. PBS vehicles used in the agricultural sector can carry heavy loads more safely on a defined road network. The agricultural sector is able to benefit from the PBS scheme due to the more efficient movement of freight that this scheme can facilitate.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 142

Program: 2.2 Surface Transport

Division/Agency: Surface Transport Policy

Topic: Motor Vehicle Standards Act review

Proof Hansard Page: Written

Senator Carr, Kim asked:

In relation to the announcement in April 2015 from Assistant Minister Jamie Briggs regarding relaxing restrictions on the personal importation of new cars as part of the Motor Vehicle Standards Act (MVSA) review:

1. What engagement has the Department had with other government departments and government agencies on the MVSA review, specifically the proposal to allow the personal importation of new vehicles? If any, please provide a comprehensive summary of the nature and extent of these consultations.
2. Has the Department had any engagement with Customs and Border Security on the proposed draft definitions on what a personal import might constitute and what implications these have at the border? Are the proposed definitions consistent with definitions used by Customs in other jurisdictions?
3. Is there a standard definition in Australia for a new or used vehicle? If so, what is it? How was that definition identified and for what purpose (e.g. valuation and taxation purposes)?
4. How would the government ensure that fraudulent vehicles don't enter the Australian market?
5. On the issue of Cooperative Intelligent Transport Systems (C-ITS) – has the Department consulted the Department of Communications or the Australian Communications and Media Authority (ACMA) on the roll-out of such systems over the next few years, both here and internationally? Is there an agreed international standard for C-ITS? If a vehicle is brought into Australia that is not compatible with our C-ITS standards, could that vehicle be registered in Australia?
6. How would the government establish that a vehicle was non-compliant or contained equipment that was not licensed for use in Australia? Which government department would be responsible for this?

Answer:

1. As part of the review of the *Motor Vehicle Standards Act 1989*, the Department has, and continues to engage on an individual basis and through multiple agency forums with all relevant Commonwealth agencies, and state and territory governments.
2. a) The Department has, and continues to engage with the Department of Immigration and Border Protection on matters relating to the review.
b) There is no standard definition for a new or used vehicle.
3. No.
4. A robust and risk-based compliance regime will be implemented.
5. a) Yes.
b) Australia, along with Europe and the United States, has elected to operate C-ITS within a common frequency in an effort for international harmonisation. Japan is an exception. Work on International harmonisation is continuing on the expectation that mass roll-out of C-ITS equipped vehicles will commence in the next few years.
c) In the absence of international harmonisation of C-ITS, a vehicle personally imported from Japan with C-ITS would most likely require the C-ITS transmitter to be modified or disabled.
6. a) A robust and risk-based compliance regime will be implemented.
b) The Department of Infrastructure and Regional Development administers the *Motor Vehicle Standards Act 1989*, which controls the first supply and importation of new and used road vehicles to the Australian market.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 143

Program: 2.2 Surface Transport

Division/Agency: Surface Transport Policy

Topic: Disability standards for accessible public transport

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. When will the Transport Standards Review Report be issued? It was due in 2012.
2. Will the rail industry be consulted regarding the content and phasing?
3. Given the hundreds of legacy and heritage stations, does the Federal Government know how much full implementation / compliance will cost?
4. To what extent does the Federal Government plan to contribute to this cost?

Answer:

1. The final Review report and Australian Government Response were publicly released on 10 July 2015.
2. Yes. The rail industry is also represented on the National Accessible Public Transport Advisory Committee, the terms of reference of which include the provision of advice on implementation issues arising from the review of the Transport Standards.
3. Implementation costs arising from the Review will be assessed in the course of developing the necessary regulation impact statements.
4. Any contribution to implementation funding would be a matter for the Government to consider as needed.