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Heavy Vehicle records tumble in 2018, but it's not all good news.....

At December year end 2007 a new all-time heavy vehicle sales record was set in Australia. The following year our nation's economy fell to the effects of the Global Financial Crisis (GFC) and truck sales plummeted. For over a decade industry has waited for a new benchmark to be set. Finally, eleven years on, the record books can be rewritten. 2007 saw just over 38,000 heavy vehicle sales for the year. At the end of 2018 we comfortably surpassed that mark, in fact for the first time ever, the Truck Industry Council's (TIC) T-Mark sales data shows that over 40,000 trucks and heavy vans were sold in Australia in a single calendar year.

It is worth looking at the sales results by segment to gain a better picture of how our heavy vehicle market grew to this new record in 2018. Heavy Duty truck sales have been on the improve over the past two years, having seen largely negative growth since the GFC. This Heavy segment captures sales for Prime Movers and multi-axle trucks, those trucks with three or more axles. The massive infrastructure spend by the East Coast States has fuelled new Rigid construction truck sales, while much of the increase in Prime Mover sales has been replacement of aging hauling units, rather than significant fleet expansion. T-Mark data shows that 2018 was a record year for Heavy Duty truck sales, just surpassing the previous record set in 2007.

The Medium Duty truck segment has been in decline for many years now in Australia. Operators have been moving away from these mid-size trucks into either smaller trucks that are better suited to metro distribution activities, or into larger multi-axle trucks that can carry greater loads, improving freight efficiencies. Due to the segment's recession, we won't see record sales for Medium trucks in the future, however the segment did hit a ten year sales high this year, indicating strong replacement of aging existing vehicles.

The Light Duty truck and van sectors have been performing very well over the past four years, with both segments setting various new annual sales records since 2015. These record, or near record, Light truck and van sales have been fuelled by the explosion of on-line shopping and customer expectation of "next day", or even "same day", delivery. At year-end 2018, both light truck and van sales had set new benchmarks for vehicle purchases in Australia.

The good news is that more new heavy vehicles were put onto our roads in 2018 than in any other previous year. That means more vehicles with the latest safety features, more fuel efficient engines and drivelines, better exhaust emission performance and more higher productivity vehicles. These safer, greener, cleaner and more productive trucks offer all road users improved heavy vehicle safety, they offer all Australians cleaner air to breathe and they offer operators potential productivity benefits and reduced operating costs. However, in the eleven years since 2007, we have witnessed the age of the Australian truck fleet steadily grow older, from 14.4 years in 2007 to 15.0 years average age in 2017, as the nation's freight task continues to grow year-on-year. The bad news is that fleet replacement has not kept pace with this freight growth. While record sales this year are a starting point, it will in fact take more than a decade of year-on-year record sales for the truck park to return to 14.4 years average age, a number that is twice that of most European countries. A number, that we as a nation, should not be proud of. So why do I mention this, when many might expect celebrations are in order for these new record sales? The answer is simple, the Australian road toll is too high and heavy vehicles are over represented in those crashes and this is partly to do with the fact that the older trucks in our nation's truck fleet do not feature the advanced safety features found in newer trucks. TIC and our members are very conscious that more work must be done to improve heavy vehicle road safety in the years ahead and reducing the average age of the Australian truck park is a key enabler of better heavy vehicle safety outcomes. As we approach a federal election this year, TIC calls upon all political parties to acknowledge this age issue and consider incentives that will lead to a positive reduction in our nation's truck fleet age, an outcome that will benefit all Australians.

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