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A Long Road to Recovery: A Far Longer Road to Reduce the National Truck Fleet Age

Truck sales in Australia hit a peak in 2007 when 38,131 new heavy vehicles were delivered.

If the pace of sales over the first quarter of 2018 continues for the remainder of the year we will rewrite the record books with a new all-time sales record. 2017 saw overall truck sales fall short of the 2007 mark by 1,306 vehicles, however first quarter sales this year are up over 2017 by more than 1,000 trucks, putting the market on track for a record year if sales continue at this rate.

However, the greater outlook for heavy vehicles in Australia is not as positive. Slow truck sales over the past 10 or so years, coupled with the ever increasing freight task have led to aging of the Australian truck fleet, from an average of 14.4 years in 2007 to 14.9 in 2017. This is according to numbers published by the Australian Bureau of Statistics Motor Vehicle Census for trucks with a Gross Vehicle Mass (GVM) of greater than 4.5 tonnes. While the age increase does not appear that significant at first glance, consider this, it would take a decade of year on year record new truck sales to get back to an average fleet age of 14.4 years according to the Truck Industry Council's (TIC) historical T-Mark new truck sales data. Yes, ten years of record sales between now and 2027/28 to get back to the fleet age we had in 2007. And the likelihood of a decade of year on year record sales growth, in a word, unlikely.

So why am I and TIC so concerned about the age of the Australian truck fleet? There are a number of reasons including,

- A fleet that is so old that almost forty-two percent (41.7%) was manufactured before 2003 when little or no exhaust emission standards applied;
- These 41.7 percent of vehicles don't have any modern truck safety features fitted, such as Front Underrun Protection or Electronic Stability Control. In fact, most of these trucks don't even have an Anti-Lock Braking System (ABS);
- These older trucks are less productive, not fitted with Road Friendly Suspension and not able to partake in higher mass limit schemes. Reducing the overall productivity of our truck fleet, which in turn increase freight costs for local and export goods;
- Technology introduced into new trucks takes decades to permeate the national fleet.

It is this last point that I would like to explain by way of an example. ADR84/00, Front Underrun Protection System (FUPS) was introduced by the Australian government, from 1st January 2012. As most readers will know, a FUPS prevents/reduces the likelihood of the occupants of a light vehicle becoming trapped underneath a truck and will ensure that the safety features of the car are correctly deployed in the event of a truck/light vehicle crash.

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The ADR84/00 Regulation Impact Statement estimated that in 2017, eleven (11) lives per year could be saved with the fitment of FUPS, if the entire truck fleet above 12 tonne GVM were fitted with FUPS. TIC estimates that due to the current take-up rates/fleet age, just over 20 percent of the Australian truck fleet was fitted with FUPS in 2017, a saving of only 2 to 3 lives. In fact, TIC estimates that a 95 percent fitment rate of FUPS will not be achieved before 2039 based on current take-up rates/fleet age.

Is that a satisfactory safety outcome for Australian road users? I and TIC would suggest not.

It has been a long road to recovery for truck sales in Australia, it will be a far longer road before we see a significant reduction in the national truck fleet age. Before we see key advanced heavy vehicle safety, environmental and productivity improvements penetrate throughout the national fleet. It is obvious to the Truck Industry Council that government, both Federal and State, operator incentives are essential to the renewal of our truck fleet in a time efficient manner. Those incentives could include a mix of, lower registration and toll charges, accelerated new truck depreciation, low interest loans, additional axle masses and low emission zones or roads to encourage the take-up of new or newer trucks. Without these, or similar, operator incentives the road to a younger truck fleet looks further away than ever.

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