



MINUTES

General Meeting Parliament House Canberra Thursday 29th November 2018

Attendance

Andrew Hadjidakou	PACCAR (TIC President)
Mike Fowler	Cummins (TIC Vice President)
Kevin Dennis	Penske Commercial Vehicles (TIC Vice President)
Phil Taylor	Isuzu (Former TIC President)
Andrew Harbison	Isuzu
Noelle Parlier	PACCAR
Brad May	PACCAR
Steve Lotter	Hino
Mikael Jansson	Scania
Paul Illmer	VGA
Adrian Wright	Navistar
Richard Eyre	Daimler
Steve Heanes	CNHI IVECO
Mark Hammond	TIC
Chris Loose	TIC
Tony McMullan	TIC

Apologies

Sean Mclean	Penske Power System
Bill Gillespie	Hino
Daniel Whitehead	Daimler
Randall Seymore	Penske CV
Yuguchi san	Isuzu
Martin Merrick	VGA
Bruce Healy	Iveco
Robert Cavagnino	Allison
Michael Spink	Eaton

Item 1 Welcome

President Andrew Hadjidakou (PACCAR) opened the meeting at 9.00 am welcoming all members to the General Meeting.

The President called for apologies which are noted on page 1.

The Council was advised that Deputy Prime Minister McCormack will attend the Council meeting between 10am and 10.30am.

Item 2 Minutes of the Previous Meeting

The draft minutes of the August Council meeting were presented to the meeting.

It was moved by Phil Taylor (Isuzu), seconded Kevin Dennis (Penske CV) and passed by all present that the minutes of the meeting held on the 21st August 2018 as presented be recorded as a true and accurate record of that meeting.

There was no specific business arising from the minutes.

Item 3 Report: Budget Submission

CEO Tony McMullan detailed for Council what is known about the 2019/20 Federal Budget.

The timing of the Budget for 2019/20 was only announced this week in the lead up to the Council Meeting. The Federal Government has announced that the Budget would be delivered on April 2, 2019. It is expected that the Treasurer would call for Budget Submissions from interested parties in December 2018. Council was advised that delivering the budget in April would clear the way for the Government to announce an elections for early May possibly 4th or 11th.

CEO detailed for Council TIC's Budget Submission which will argue that the Federal Government has objectives in terms of road safety, environment, the economy, productivity and efficient freight movement and that in part these objectives are not being achieved because of the age of the Australian truck fleet. The budget Submission proposes a solution taking the form of financial and regulatory incentives to modernize the nation's truck fleet.

The President called for comment from members suggesting that in light of the commentary offered by Shadow Minister Albanese at the TIC Dinner the night before TIC should develop an advocacy marketing plan by which to prosecute the case with Government decisions makers.

CEO undertook to develop an advocacy marketing plan.

President Andrew Hadjidakou asked Council that the order of the agenda be suspended to discuss Item 5 so as to allow the meeting to be addressed by the Deputy Prime Minister at 10.00am. This would also allow sufficient time for discussion on Item 6 after morning tea.

Item 5 Discussion: Communicating TIC core messages and agenda within member organisations

CTO Mark Hammond spoke to this item advising Council that at times there appears to be a disconnect between CTO (technical) discussions and agreed preferred positions versus what CEO's (management) understand to be a TIC preferred position on technical issues.

Of concern to TIC Management is the perception that this disconnect appears to stem from communication issues within some TIC member organisations.

Members noted TIC management concerns concluding that there was potentially an internal communication issue between CEO's and CTO's within their organisations.

It was agreed:

- 1. That each member would take the issue on board and discuss within their organisation; and*
- 2. That TIC CTO would circulate CTO Meeting Minutes to all CEO's.*

Item 4 Update: Negotiations with HVIA on 2019 Brisbane Truck Show

11.48 am (AEDT)

TIC President Andrew Hadjikakou (PACCAR) spoke to Item 4 and introduced Arthur Athanasiou of Thomson Geer, TIC's Legal Adviser who joined the Council meeting by phone.

Andrew Hadjikakou asked Arthur Athanasiou to detail for members his legal advice regarding TIC arranging a Truck Show and TIC's obligations under the Consumer and Competition Act (CCA).

Arthur Athanasiou addressed the Council meeting advising members that should TIC agree to arrange a truck show it will not be reducing competition, it will in fact be establishing competition as currently, a monopoly effectively exists and that in itself the decision to arrange a truck show would not contravene the CCA provided no illegal activity occurs between TIC members or by TIC itself and/or with a member or members.

Arthur Athanasiou referred Council to the decisions to be made at this meeting.

Decision One. A decision by TIC to put out to tender a submission to arrange a truck show. This provides the opportunity for each individual member to make their own decision regarding TIC issuing tenders for a third-party to arrange and conduct a truck show in 2021.

Decision Two. A decision to participate in an event organised by a separate third-party entity, (or an event possibly run by TIC itself) is a decision for each individual member and one made to suit the individual member's particular needs, and to negotiate and enter into contractual relationships with the third-party.

Council endorsed Decision Two. Council further noted that this endorsement was consistent with TIC's long held position regarding individual member participation in truck shows, and that a decision to do so was in that member's business interest.

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11.55am (AEDT)

Daimler's Richard Eyre absented himself from the meeting.

11.57am (AEDT)

Scania's Mikael Jansson absented himself from the meeting.

11.57am (AEDT)

Andrew Hadjidakou thanked TIC's solicitor for his advice.

TIC's solicitor stayed in the meeting as an observer and providing comment when asked.

Addressing Decision One as identified above CEO Tony McMullan provided members with a summary of discussions to date with regard to truck shows in general and specifically negotiations with HVIA pertaining to the 2019 Brisbane Truck Show.

Refer to meeting power point presentation for Item 4.

Andrew Hadjidakou drew members' attention to the draft letter of response which appeared as Slide 18 on the power point presentation.

The letter as such was read out to members by Mr Hajidakou.

Comment was sought from members.

Members offered various suggestions for improving the letter resulting in the final text being presented for Council's approval.

12.30pm (AEDT)

During this conversation Arthur Athanasiou left the meeting due to pre-existing commitments.

Before leaving Mr Hajidakou asked Arthur Athanasiou for a legal opinion on whether it had been inappropriate for TIC to seek from HVIA a share of the profit given the major exhibitor status of truck manufacturers. Arthur Athanasiou asked that an instruction be given from Tony McMullan to provide such advice. CEO Tony McMullan undertook to draft such instruction for legal advice.

The final text of the letter was read to the meeting.

Dear

We refer to our letter dated 24 September 2018 and your letter in response dated 11 October 2018.

TIC expresses its disappointment at HVIA's continued failure to achieve the vision that truck manufacturers and importers have for the Brisbane Truck Show as its major and most important exhibitor group. ~~Without trucks there is no truck show, which is the primary reason visitors and other exhibitors attend each show.~~

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~~Each~~ *The majority of TIC members has have individually expressed the view that whilst HVIA has been more inclusive with the planning and management of the 2019 show when compared to previous years' shows, HVIA remains unwilling to implement broader strategic objectives such as theming, advancing truck technology innovation, and commercial considerations, which are key success factors.*

~~For those reasons, each TIC member intends to explore alternative options to exhibit their products. Accordingly, it is TIC's intention~~ *During the November Council Meeting the TIC passed a resolution to call for Expressions of Interest from suitably qualified event management organisations to organise and conduct a TIC sponsored event which is to be held in 2021.*

Yours sincerely

President Andrew Hadjidakou sought Council agreement for the letter be sent to HVIA under the signature of the President and on behalf of the TIC Directors.

Council agreed without dissent.

Council further decided that an email should be sent to all TIC members attaching the letter and asking for the member to respond by email, confirmation of receipt and their approval in principle of the action to call for tenders, consistent with the decision made by members at the Council meeting. The President asked that members respond promptly in order to ensure a timely delivery of the HVIA letter. Members were encouraged to seek their own legal advice as they saw fit.

With regard to the email to be sent to members the Council asked that TIC's legal adviser assist with the wording.

12.53pm (AEDT)

The President concluded discussion on Item 4 and adjourned the meeting for lunch.

12.55pm (AEDT)

Messrs Jansson and Eyre re-entered the meeting room for lunch.

1.12 pm (AEDT)

The meeting recommenced with discussion on Item 6.

Item 6 Report: Off-Highway Engine Sector

CEO Tony McMullan provided Council with an update on this item which included:

- A summary of previous discussions held with ADEDA in March 2016 which resulted in ADEDA not agreeing to proceed with TIC's offer to provide advocacy services to Government (September 2016).
- Council being reminded that Cummins and Isuzu had undertaken a consultancy to investigate the opportunity to advance the interests of the diesel off-highway engine industry in Australia in the knowledge that the Government was working upon new legislation which would affect companies with an off highway engine division.

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- That TIC had agreed to establish Non-Road Diesel Engine Division in November 2017.
- That the Department of Environment had commenced consultation with Cummins, Isuzu and TIC on the development of rules for non-road compression ignition engines in March 2018. The Government seeking industry stakeholder support to advance the case for change.
- Council noting that Departmental discussions were ongoing.

CEO advised Council that in September 2018 the Department of Environment sought from ADEDA market sales data to assist in the development of the new legislation. In November ADEDA held its AGM and discussed appointing advocacy services for the new legislation. TIC was again invited to make a presentation detailing its advocacy capability and the advocacy work TIC had undertaken with Cummins and Isuzu since October 2017. ADEDA members were asked to join with TIC in this advocacy role.

Council was advised that ADEDA had made the decision to consult broader with the Construction and Mining Industry Group (CMEIG) and the Tractor and Machinery Association of Australia (TMA) in order to have more interested parties join with ADEDA and TIC to advocate for the new legislation.

Council was advised that timing as to when these negotiations were to be held was not firm and based upon past experience with ADEDA may take some months.

Michael Fowler (Cummins) expressed the view that given this uncertainty and the fact that the Department could well contact TIC any day now to progress discussions TIC Off Highway Engine Division could not wait for ADEDA.

Michael Fowler asked Council members with an interest in the off highway engine sector to join with Cummins and Isuzu to operationalise the Off Highway Engine Division.

CEO Tony McMullan outlined that in the first instance the cost to start the division would be \$50,000 (for the employment of one part time resource) to be shared amongst those members wishing to participate. In the long term this cost would be \$100,000 per annum to cover for expenses such as technical, policy and political advocacy and administration. All costs would be a function of cost divided by number of members.

Paul Illmer (VGA) on behalf on Volvo Penta advised the Council that in principle Volvo Penta were prepared to join and fund in part TIC's Off Highway Engine Division.

Kevin Dennis (Penske Commercial Vehicles) on behalf of Penske Power Systems agreed to join and fund in part TIC's Off Highway Engine Division.

Steve Heanes (CNHI IVECO) advised that CNHI were interested in this proposal and asked that TIC Management prepare a single page document detailing the benefits of advocacy and that a copy of the ADEDA presentation be sent to CNHI to allow them to consider joining the TIC Off Highway Engine Division.

Mikael Jansson (Scania) endorsed this request and asked that the document and power point be sent to Scania.

Item 7 Report: Technical Issues

CTO Mark Hammond spoke to the technical issues currently being addressed by TIC's technical team.

ADR 80/04

Council was reminded that due to unsuitable Australian petrol and diesel fuel standards the Government is likely to delay the introduction of Light Vehicle Euro 6 emission standards. The current Australian Diesel fuel standard is problematic for some Light Duty truck OEM's. Local fuel refineries claim that they will be unable to supply Euro VI suitable Petrol until 2025. Further the Minister responsible has to date chosen to not split the Light and Heavy vehicle implementation Regulatory Impact Statements for Euro 6 and Euro VI (and equivalents).

The Department has chosen to implement a voluntary monitoring plan for all grades of petrol wholesaled in Australia between 2019 and 2022 inclusive. A review of the results of the voluntary monitoring plan will be conducted and a RIS will be developed for upgrading Australian Petrol fuel standards in 2023. This action will include public consultation. New fuel standards will be developed and approved by late 2023 with a 3 year introduction timeframe to allow local refineries to upgrade their facilities and infrastructure allowing the introduction of Euro 6 and Euro VI and equivalents starting from 2027.

CTO pointed out that Euro VI Step "c" is currently in a state of "flux" in Europe and the Real Drive On-Road Test is being reviewed/revise. Regulation clarification not due until end of 2019. And that DIRDC was not interested in discussing technical issues that are unique to Australia, such as how overseas Real Drive On-Road Test certification could be applied to higher GCM's, different differential ratios and different engine ratings that applied on Australian trucks. DIRDC citing that they have a timeline approved by the Government (implementation for 2027) and see no reason for Euro VI (and equivalents) discussion at this point in time.

CTO provided Council members with an update of TIC's current status based upon CTO feedback detailing that there is NO united TIC position. Four Brands are opposing a move to Euro VI (and equivalents). Other TIC members are split between adoption of Euro VI Step "b" or "c" (and equivalents). FCAI's position for NB1 and NB2 is Euro VI Step "b" only, NOT Step "c" (FCAI don't object to equivalent standards, nor do they object to TIC lobbying government for a move to Euro VI Step "c" [and equivalents] for NC category vehicles).

CTO raised for Council consideration four potential option for TIC implementation asking Council for feedback and a decision. Options were:

1. Do nothing (work to Government's detailed timeline - 2027);
2. Align with FCAI and push for the early introduction of Euro VI Step "b", NOT Step "c" (and equivalents);
3. "Go it alone" with a push for Euro VI Step "c", or some hybrid Step "b"/Step "c" introduction (with equivalents),
4. Review TIC position post 2019 federal election.

Options 1 to 4 were put to a vote.

The result being that there was no support for Options 1 and 4; Six votes for Option 2; Three votes for Option 3.

Option 2 was subsequently declared to be TIC's position.

NTC Autonomous Vehicle Proposed Regulations

The NTC developed and released its Autonomous Vehicle Safety Assurance Regulation Regulatory Impact Statement (RIS) in April 2018, as a result of State and Territory Ministers agreeing to have “end-to-end Automated Vehicles (AV) regulation in place by 2020 to support the safe, commercial deployment and operation of AV's at all levels of automation”. CTO explained that this was not a typical government RIS, as it makes unsubstantiated claims and assumptions, as well as not providing a cost-to-benefit analysis of each of the four recommended options. The document was in reality a Discussion Paper, not a RIS. The NTC document was closely aligned and based on the voluntary (non-legislative) autonomous vehicle safety assurance system that has been deployed by various States in the USA. The key recommendations do NOT align with the direction that European regulators are taking for the certification/control of autonomous vehicles, this is a key failing of the NTC's document, as Australia is bound to align with UN-ECE vehicle regulations.

TIC worked closely with the FCAI in developing our submission to the AV SAS RIS. COAG voted in mid November 2018 against the NTC's recommendation for Autonomous Vehicle Safety Assurance regulation, instead detailing that, new vehicle approval/compliance would use the current Australian Design Rule (ADR) system/process for certifying new Autonomous Vehicles and Autonomous Vehicle Systems (TIC's preferred position) and instructed the NTC to further review the “in-service” requirements of AV regulation, with a recommended position to be proposed to COAG in March 2019.

The NTC will now develop a new Discussion Paper to allow stakeholder feedback on this issue in early 2019.

Of concern to TIC and the FCAI is that the NTC do not have sufficient time to develop and circulate a new Discussion Paper, allow for stakeholder feedback and make recommendations to COAG before the March 2019 COAG meeting.

Also, the NTC's preference for “in-service” AV regulation is a legislative Safety Assurance System with a Primary Safety Duty (Option 4 above). Such a system would make an organisation (most likely the OEM) legally responsible (for the life of the vehicle) when the vehicle is operating in Autonomous Mode. This is not aligned with current UN-ECE thinking. TIC and the FCAI oppose this position.

CTO outlined that TIC and FCAI were considering further discussions with the NTC and/or discussions with COAG Ministers.

Council discussion supported the direction that TIC management were pursuing on this issue.

NHVR's Heavy Vehicle Safety Package proposal

CTO recapped the NHVR's Safety Survey undertaken with TIC truck members and detailed the progress made to date with the NHVR on this matter. Council was generally supportive of

the NHVR's proposal however were concerned that the level of vehicle access for the safety package was not detailed. Council agreed that "general access" wording should be included.

CTO to go back to NHVR and reinforce with NHVR the need for general access.

Law Enforcement Symposium

Michael Fowler (Cummins) raised for Council consideration the need for TIC to facilitate a Law Enforcement Symposium. The purpose of the symposium would be for TIC to provide leadership on this subject so that there is a better understanding between regulators, law enforcement agencies and policy makers on in-service vehicle emission compliance and road speed limiter compliance.

Members discussed the proposal put forward by Mr. Fowler.

It was agreed that:

"TIC management would discuss the issue with the NHVR as well as scope a program for the Symposium and would work with members to undertake a feasibility study including costs for the conduct of a Law Enforcement Symposium".

Item 8 Report: T-Mark Update

CTO Mark Hammond gave Council an update on T-Mark.

TIC has received a formal request from Hyundai Commercial Vehicles for Membership and T-Mark pricing. They may become a TIC member in the future.

In September 2018 TIC informed Automotive Holdings Group Ltd (AHG) that their prior request for a T-Mark subscription had not been approved by TIC Council members.

No other new enquiries from truck importers/manufacturers have been received since the update given at the August 2018 Annual General Council Meeting.

NEVDES Registration Data

Current update:

- Mid 2018 TIC entered into discussions with another government organisation (who has access to all fields for heavy vehicles in the NEVDIS data base) with a view to gaining access to this data;
- TIC is close to finalising these negotiations (should be in place by January 2019. Data will be for >4.5t GVM trucks and not be VIN specific; and
- TIC management plan to meet with AustRoads/NEVDIS in December 2018 to discuss VIN specific data and data for 3.5t to 4.5t vehicles.

Item 9 General Business

No matters of general business were raised at the meeting.

Item 10 Close of meeting (Venue and date for next meeting)

The President declared the meeting closed at 2.55 pm.

The next Council meeting is scheduled for Wednesday 13th March from 9 am until 3 pm at a Melbourne venue yet to be determined. There will be a TIC Dinner Tuesday 12th March.

END