

Heavy Vehicle Entry Certification Review

PROPOSED RECOMMENDATIONS



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Executive summary

In response to a number of new imported buses experiencing faults in late 2017, the New Zealand Transport Agency (the Transport Agency) began a review of the heavy vehicle entry certification (HVEC) system. This review included both new and used heavy vehicles.

The purpose of the review was to identify opportunities throughout the system, which would assist improvements in the entry certification system and provide increased assurance in the standard of heavy vehicles entering New Zealand with a robust, risk-based approach, which treats all providers fairly.

To do this, the Transport Agency commissioned an internal step-by-step documentation of the process, and held three industry/Transport Agency collaborative workshops. From these pieces of work, 92 opportunities for improvement were identified. 33 of those opportunities were identified as most likely to create positive and sustainable change; these became the proposed recommendations.

These 33 proposed recommendations are aligned with four proposed outcomes:

- The Transport Agency has the information, systems, and processes required to be a resilient, responsive and effective regulator.
- Members of the industry have the information, system access and capability required to complete their roles to a high standard.
- Standards, guidelines, advice and legislation are fit-for-purpose and lead to desired outcomes.
- The right information is being collected and stored effectively, and being used appropriately to make information decisions.

The proposed recommendations focus on providing the right tools, information and supporting systems to make complying easy, while ensuring the appropriate checks and balances are in place to address non-compliance. The recommendations are a mixture of Transport Agency-led initiatives and joint Transport Agency/industry collaborative opportunities.

The purpose of this document is to test the proposed recommendations with industry, and begin identifying high priority actions for incorporation into the initial work programme.

Opportunity for providing feedback will close on 9am Monday 20 August 2018, at which time all information will be considered and incorporated as appropriate, and the recommendations finalised.

Background

WHAT IS THE ENTRY CERTIFICATION SYSTEM?

When most people think of the entry certification system, a majority would think of the process a vehicle purchaser must go through to import or build a vehicle, and subsequently be allowed to use it on a New Zealand road.

From a New Zealand Transport Agency (Transport Agency) perspective the entry certification system ensures the compliance with legislative requirements for the safety and identification of vehicles entering the New Zealand fleet.

WHY COMPLETE A REVIEW?

In late 2017, several imported new buses showed significant engineering, design and manufacturing concerns that indicated a potential risk to public safety. As the entry certification process aims to ensure that all vehicles allowed on New Zealand roads are safe and fit-for-purpose, the faults with new buses indicated a possible flaw or risk in the system.

In response to this risk, a full review of the entry certification system for new and used heavy vehicles began. The review was designed to identify all potential opportunities for improvement in the current system. It took a holistic look at the end-to-end process, including the environment in which entry certification operates, and the legislative tools utilised throughout the process.

The aim of the review was to identify a set of recommendations that would assist in improving the entry certification system, and provide increased assurance in the standard of heavy vehicles entering New Zealand with a robust, risk-based approach, which treats all providers fairly.

HOW WAS THE REVIEW CONDUCTED?

The review included two streams of work: an internal NZ Transport Agency mapping exercise of the Heavy Vehicle Entry Certification (HVEC) system as it is currently understood; and workshops held with representatives from across the heavy vehicle industry and the Transport Agency. The information collected from these two streams of work was then combined, analysed and developed into the proposed recommendations.

Mapping exercise

The mapping exercise was a comprehensive process analysis which looked at the end-to-end HVEC process as a series of steps. At each step, opportunities for improvement were identified.

Workshops

Three workshops were held during March and April 2018. These were held across the country in Wellington, Christchurch and Auckland. Industry representatives from throughout the heavy vehicle industry and Transport Agency staff were invited as an opportunity to collaborate on finding solutions to identified pain points. A total of 90 people attended the workshops.

Information collected at the workshops was compiled into summary documents and sent out to participants. The information pulled from these summaries was then added to the opportunities for improvement identified in the mapping exercise.

A total of 92 opportunities for improvement were identified through the process mapping and workshops.

Analysis

From the 92 opportunities, 33 were considered as most likely to instil long term change, and be adaptable to currently unknown future requirements. These became the proposed recommendations. The 33 recommendations look at a combination of building system confidence through appropriate checks and balances, and providing industry and the public with the right tools to enable compliance.

WHAT IS THE PURPOSE OF THIS DOCUMENT?

This document is a mechanism for discussion. It has been sent to participants of the workshops, as well as members of the Transport Agency who were invited but unable to attend, in order to collect feedback on the proposed recommendations.

Questions will appear throughout this document to assist with thinking, however all comments related to the HVEC process will be accepted during the feedback process. At the end of the feedback period, all information will be incorporated and a final list of recommendations released.

It should be noted that the recommendations are not the proposed work programme, but the proposed components of a work programme, which may be implemented over several years. This feedback process will be used to identify those recommendations considered to be the highest priority by the Transport Agency and industry, and this information will be used to develop the initial work programme.

Proposed outcomes

Four outcomes were identified as contributing to the overall aim for the review – improving the entry certification system, and providing increased assurance in the standard of heavy vehicles entering New Zealand, with a robust, risk-based approach, which treats all providers fairly.

- 1. The NZ Transport Agency has the information, systems, and processes required to be a resilient, responsive and effective regulator** – the Transport Agency, industry and the public have confidence in the heavy vehicle entry certification system, and know the vehicles entering New Zealand fleet are safe and fit-for-purpose.
- 2. Members of the industry have the information, system access and capability required to complete their roles to a high standard** – Industry has all the tools, development opportunities and information appropriate to their needs, making compliance easy to achieve.
- 3. Standards, guidelines, advice and legislation are fit-for-purpose and lead to desired outcomes** – Primary, secondary and tertiary legislative tools are enabling, up-to-date, understandable and supportive of intended outcomes.
- 4. The right information is being collected and stored effectively, and being used appropriately to make informed decisions** – The Transport Agency knows what data it collects, and utilises it effectively and transparently to make evidence-based decisions. The Transport Agency also has the technology and systems essential to collecting and analysing data, and creating a shared experience with its partners, as required.

All proposed recommendations are aligned with one of these outcomes.

DISCUSSION QUESTION ONE

Do you agree with the overall aim? If not, what changes would you suggest?

DISCUSSION QUESTION TWO

Do you agree with the four outcomes? Do you feel they will lead to the overall aim? If not, what changes would you suggest?

Proposed implementation

The recommendations on the following pages are listed in no particular order and fall roughly into four categories: checks and balances, better information, enabling legislation, and data integrity. The aim of the recommendations is to make compliance easy for everyone through good information, tools and training, but also to have the appropriate checks and balances in place for when people choose not to use the resources available.

Some of the recommendations will take time, some will take money, some are for the NZ Transport Agency to solve, and some involve industry and the Transport Agency working collaboratively together toward an outcome.

It is important to remember that the recommendations are based on one snapshot of the process. For some recommendations the problem and its solution are well known. For other recommendations the problem still needs clarifying and the best solution identified. In many instances, the recommendations are given a wide scope, allowing thorough exploration of opportunities.

To support the recommendations, a three step process is proposed: **Assess** the problem and **identify** a solution; **Implement** the solution and **establish** the change; **Evaluate** the change and **refresh** as needed.



Following this three step process reduces the risk of introducing a fix that has unintended negative consequences. It also builds in a set evaluation period to ensure no potential issue is left unaddressed post-implementation. The evaluation period may change depending on the type of change installed, however a majority should be marked for evaluation two or three years after implementation.

It is also recommended this includes a review of the whole heavy vehicle entry certification system every two to four years.

DISCUSSION QUESTION THREE

What do you think about the three step process? Will this be an overall positive inclusion in the implementation of the recommendations? Do you have any comments around how you would like to see the evaluation managed?

Draft recommendations for HVEC system change

OUTCOME 1: THE NZ TRANSPORT AGENCY HAS THE INFORMATION, SYSTEMS, AND PROCESSES TO BE A RESILIENT, RESPONSIVE AND EFFECTIVE REGULATOR

The Transport Agency, industry and the public can have confidence in the heavy vehicle entry certification system, and know that the vehicles entering the New Zealand fleet are safe and fit-for-purpose.

- NZ TRANSPORT AGENCY LED
- INDUSTRY LED
- COLLABORATIVE OPPORTUNITY

<p>Consider requiring manufacturers to enter an accreditation scheme to supply New Zealand with heavy vehicles</p> <p>1 ●</p>	<p>Develop a list of options for managing non-compliance of Appointed parties, for example, probation</p> <p>2 ●</p>	<p>Create an oversight process for manufacturers (including for modifications), which is either New Zealand managed or utilises the oversight of other countries, which have robust inspection procedures</p> <p>3 ●</p>
<p>Review the capability and capacity required for NZ Transport Agency to deliver core functions, and identify areas for future investment</p> <p>4 ●</p>	<p>Establish an expiry of Appointment and a reappointment process which includes a review of the Heavy Vehicle Engineers (possibly including an audit)</p> <p>5 ●</p>	<p>Develop relationships with appropriate overseas regulators and manufacturers to enable collaborative working</p> <p>6 ●</p>
<p>Assess the Appointment terms and conditions for Inspecting Organisations and Vehicle Inspectors, to ensure it is robust, fair and supportive of desired outcomes</p> <p>7 ●</p>	<p>Review the current auditing programme for Heavy Vehicle Engineers to ensure regular checks (possibly as part of the reappointment procedure)</p> <p>8 ●</p>	<p>Design a risk-based framework for inspection, which is reflective of potential risk and includes a methodology for the undertaking of more invasive testing as appropriate. This may include consideration of type approval.</p> <p>9 ●</p>
<p>Establish a revised Appointment process of Heavy Vehicle Engineers (including conditions of Appointment) that supports mentoring post testing, and separates mentoring and auditing functions. This includes revising current information provided to Heavy Vehicle Engineers regarding the process</p> <p>10 ●</p>		

DISCUSSION QUESTION FOUR

Do you agree with the recommendations for Outcome One? Are there any areas missing from the recommendations you were expecting? Explain your view.

Do you have any comments about how one or more of these recommendations should be approached, or any areas you feel should be looked at further?

OUTCOME 2: MEMBERS OF THE INDUSTRY HAVE THE INFORMATION, SYSTEM ACCESS AND CAPABILITY APPROPRIATE TO COMPLETE THEIR ROLES TO A HIGH STANDARD

Industry has all the tools, development opportunities and information appropriate to their needs and to make compliance easy.

- NZ TRANSPORT AGENCY LED
- INDUSTRY LED
- COLLABORATIVE OPPORTUNITY

<p>Review NZ Transport Agency external website and ensure the information is searchable, grouped appropriately, and understandable for the wider population (that is - pitched at the appropriate non-technical level)</p> <p>11 ●</p>	<p>Create/update templates & tools that can be used when purchasing a heavy vehicle including: a Request For Purchase template, draft checklist for dealers and importers, information for those new to the industry and an official Statement of Compliance</p> <p>12 ●</p>	<p>Enable Certifiers and Inspectors to keep electronic copies, instead of paper, given electronic record keeping is available and recognised as being original equivalent</p> <p>13 ●</p>
<p>Develop agreed Codes of Practice and Conduct for each industry</p> <p>14 ●</p>	<p>Add the exemptions, chassis rating and Appointment application processes to the online case management system (or a similar system) to enable online applications, payment and tracking</p> <p>15 ●</p>	<p>Review the Vehicle Inspection Requirements Manuals to see if they are fit-for-purpose, divided in the most appropriate manner, and the information is pitched at the appropriate level for the end user. Identify improvements in functionality and presentation</p> <p>16 ●</p>
<p>Develop a peer review/ mentoring programme (including training and support) with Heavy Vehicle Engineer high performers</p> <p>17 ●</p>	<p>Create professional development workshops, tools or seminars on key parts of the supply chain, for example - how to purchase a compliant vehicle, how standards work</p> <p>18 ●</p>	<p>Develop training (including reviewing current training) for the industry and relevant Transport Agency staff (or develop approved courses) for entrance to the industry and ongoing professional development, and train the trainers</p> <p>19 ●</p>
<p>Establish motor industry forums or other groups to share information and discuss issues, and publish a regular newsletter for industry</p> <p>20 ●</p>		

DISCUSSION QUESTION FIVE

Do you agree with the recommendations for Outcome Two? Are there any areas missing from the recommendations you were expecting? Explain your view.

Which Vehicle Inspection Requirements Manual (VIRM) do you think should be reviewed first? What common problems do you think should be looked at in terms of the information presented in the VIRM and its functionality?

What sort of Professional Development workshops do you think would be valuable to Certifiers and/or Engineers and/or Inspectors?

Are there any recommendations you think should be Industry led?

Do you have any other comments relating to the recommendations for Outcome Two?

OUTCOME 3: STANDARDS, GUIDELINES, ADVICE AND LEGISLATION ARE FIT FOR PURPOSE, AND LEAD TO DESIRED OUTCOMES

Primary, secondary and tertiary legislative tools are enabling, up-to-date and supportive of positive results.

- NZ TRANSPORT AGENCY LED
- INDUSTRY LED
- COLLABORATIVE OPPORTUNITY

<p>Review the standards New Zealand recognises and ensure they are: current, fit-for-purpose and encourage desired outcomes; whether Australian Design Rules are still required for recognition etc.</p> <p>21 ●</p>	<p>Review the advice provided for the Passenger Service Vehicle Rule and other Rules to ensure they are clear, easy to read and pitched appropriately</p> <p>22 ●</p>	<p>Review the advantages of amending legislation to align vehicle classes with jurisdictions from which New Zealand recognises standards</p> <p>23 ●</p>
<p>Review the Rules to determine whether they are still a suitable legislative tool, and, if so, review the Rules to ensure they are enabling and understandable</p> <p>24 ●</p>	<p>Investigate the possibility and advantages of taking legal action against negligence, for example, with fines or conviction (similar to architects & construction engineers)</p> <p>25 ●</p>	<p>Review the Requirements for Urban Buses document to ensure it is fit-for-purpose, and develop national consistency through the encouragement and/or direction of its use</p> <p>26 ●</p>
<p>Review the requirements and policy guidance under which exemptions are granted prior to formal entry certification and identify clearly under what circumstances an exemption for new heavy vehicles will be considered appropriate. Create advice around this and release to industry.</p> <p>27 ●</p>	<p>Create a methodology or programme that continuously assesses NZ Standards to ensure they are fit-for-purpose and enable evidence-based legislative change/update work programmes</p> <p>28 ●</p>	

DISCUSSION QUESTION SIX

Do you agree with the recommendations for Outcome Three?
 Are there any areas missing from the recommendations you were expecting?
 Explain your view.

Which Rule or Rules do you think should be addressed soon? Why?
 Is there any advice that you think should be reviewed first? Why?
 Which Standards do you think may need reviewing in the first instance? Why?

OUTCOME 4: THE RIGHT INFORMATION IS BEING COLLECTED AND STORED EFFECTIVELY, AND BEING USED APPROPRIATELY TO MAKE INFORMED DECISIONS

The Transport Agency knows what data it collects, and utilises it effectively and transparently to make evidence-based decisions. The Transport Agency also has the technology and systems essential to collecting and analysing data, and creating a shared experience with its partners, as required.

- NZ TRANSPORT AGENCY LED
- INDUSTRY LED
- COLLABORATIVE OPPORTUNITY

<p>Review the data currently being collected (including its subsequent use) for gaps, repetition and relevance. Identify solutions for these within the current systems</p> <p>29 ●</p>	<p>Review the effectiveness of the current systems used to store and manage data (for example Landata) to identify the improvements required</p> <p>30 ●</p>	<p>Establish and document a clear, evidence-based decision-making process for assessing and managing risk</p> <p>31 ●</p>
<p>Identify opportunities for reducing poor data quality, for example: NZBN, developing online certification tools with set descriptors for consistency, new platforms currently being developed and industry/ NZ Transport Agency shared portals</p> <p>32 ●</p>	<p>Review the topics of queries coming into the call centre and other teams (for example - Vehicles and Standards) on a regular basis to assess the need to update/review external information for clarity and/or gaps</p> <p>33 ●</p>	

DISCUSSION QUESTION SEVEN

Do you agree with the recommendations for Outcome Four? Are there any areas missing from the recommendations you were expecting? Explain your view.

Are there any data sets you particularly struggle with?

Have you experienced any international data systems that you liked? What was it? Why do you like it?

Do you have any tools or systems that you think would be of benefit to the Vehicle Entry System?

DISCUSSION QUESTION EIGHT

Which recommendations do you think are the highest priority, and should be completed first?

Which recommendations do you think are the lowest priority, and can be completed last?

Are there any recommendations you think are unnecessary? If so, why?

Are there any other comments you would like to add about the process or the recommendations?

Closing remarks

WHAT HAPPENS NEXT?

This proposal document will be out for consideration until **9am Monday 20 August 2018**.

- You're invited to send any comments or a formal submission in writing to **VECWorkshops@nzta.govt.nz**
- There will also be the opportunity to attend a short discussion workshop to discuss the proposals in person. The dates and venues for these workshops will be released shortly via email to workshop participants.

Once the feedback period closes, all information will be considered and any required changes made to the recommendations. Utilising the feedback from Discussion Question Eight, a proposed work programme will be created for approval from the Transport Agency's Senior Management.

Updates will be sent on a regular basis.

CONTACT

If you have any questions, comments or concerns, please contact:
VECWorkshops@nzta.govt.nz