

INQUIRY INTO YOUNG DRIVER SAFETY AND EDUCATION PROGRAMS

Organisation: AAMI
Name: Ms Annabelle Butler
Position: Manager, Policy, Regulatory Affairs and Research
Date Received: 28/11/2007



AAMI submission to
NSW Staysafe Committee

INQUIRY INTO YOUNG DRIVER SAFETY
AND EDUCATION PROGRAMS

November 2007

Introduction

This submission is presented by Australian Associated Motor Insurers Limited (AAMI), 616 St Kilda Road, Melbourne, Victoria, 3004.

This document has been prepared in response to the request from Geoff Corrigan MP Chair of the Parliamentary Joint Standing Committee on Road Safety (Staysafe) NSW, to provide information to Staysafe regarding young driver safety and education programs.

In this submission AAMI provides:

1. Analysis of AAMI claims data for drivers under 25 in both urban and rural NSW and compared this to data for under 25 drivers across Australia, confirming the overrepresentation of drivers under 25 in road accidents.
2. An overview and evaluation of the AAMI Skilled Drivers program, which is a national program designed to encourage safe driving behaviour among licensed drivers under 25.
3. A summary of 2007 findings of the Annual AAMI Young Drivers Index revealing the driving attitudes and behaviours of young drivers. These behaviours and attitudes help to understand underlying factors that contribute to young drivers involvement in accidents. Such as, such as road rage, speeding, drinking and drug taking and being distracted behind the wheel.
4. Young drivers attitudes to regulation.

AAMI is part of the Suncorp Group, which is Australia's second largest general insurance company.

AAMI is a direct distributor of insurance for the general population under the brands, AAMI and Just Car Insurance Agency. AAMI underwrites car, home, compulsory third party (CTP) personal injury insurance, landlord insurance and small business insurance. AAMI underwrites almost 3.5 million policies per annum with gross written premium of approximately \$1.5 billion. AAMI currently employs approximately 3,500 staff across 60 locations around Australia.

If you have any questions or would like further information please do not hesitate to contact either:

Rob Whelan, Executive Manager, Corporate Affairs

Tel: 03 8520 1952

Email: rob_whelan@aami.com.au

or

Annabelle Butler, Manager, Regulatory Affairs, Policy and Research

Tel: 03 8520 1623

Email: annabelle_butler@aami.com.au

or

Selina O'Connor, Manager, Corporate Affairs, NSW

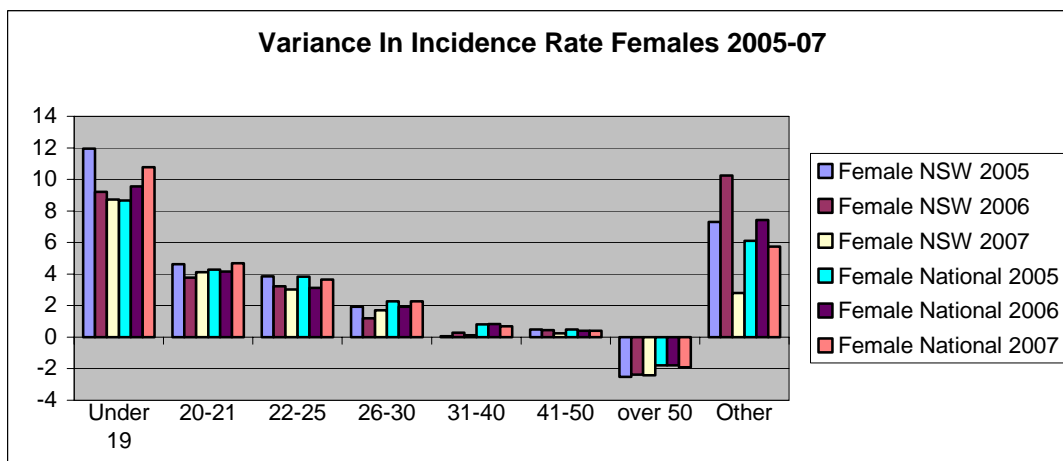
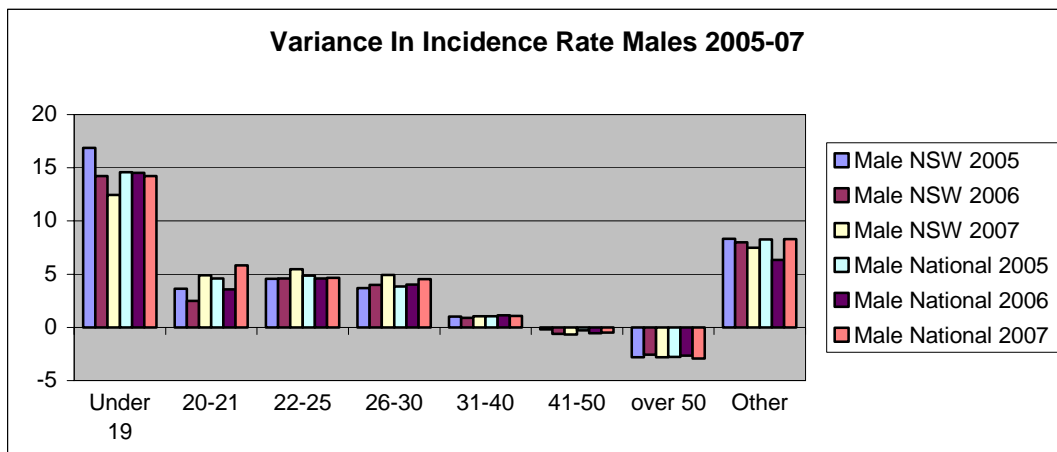
Tel: 02 8925 9721

Email: Selina_Oconnor@aami.com.au

1. AAMI Claims Data Analysis

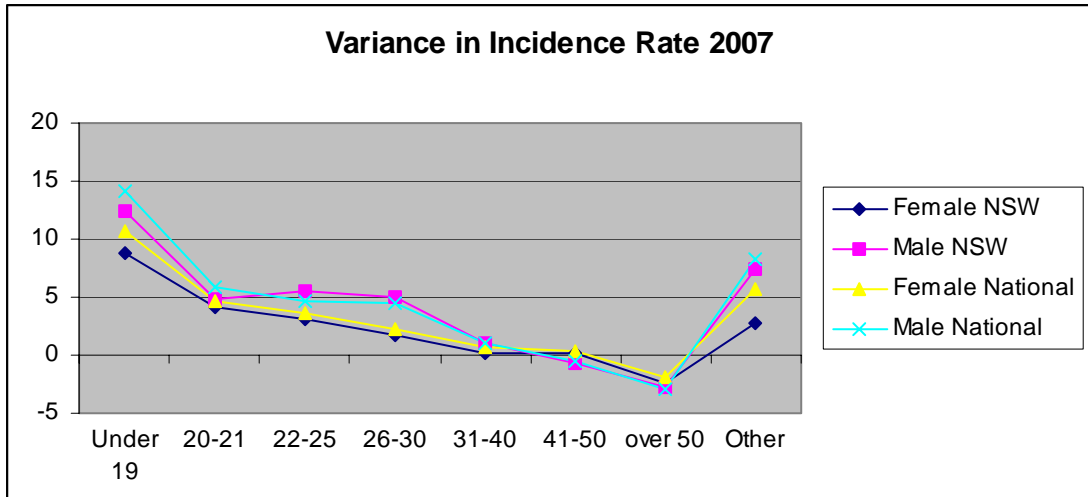
1.1 Current Incidence Rates of Road Crashes Involving Young Drivers in NSW

Please note all data is from AAMI's claims database, it is reflective of the trends that AAMI is seeing in the community, rather than a complete overview.



The above graphs show that the variance in incidence rates are falling for both young males and females in NSW (under 19s). In both cases their incidence rate is now below the national incidence for this age group. For the age group between 20-25, variance in incidence rate is lower in NSW for young males and females, with young males showing a greater improvement. Interestingly, young males incidence rate after 19 does not drop off significantly again until after 30 years.

The data confirms that the incidence rate for young people under 19 is still a lot higher than for any other age group, both in NSW and nationally.

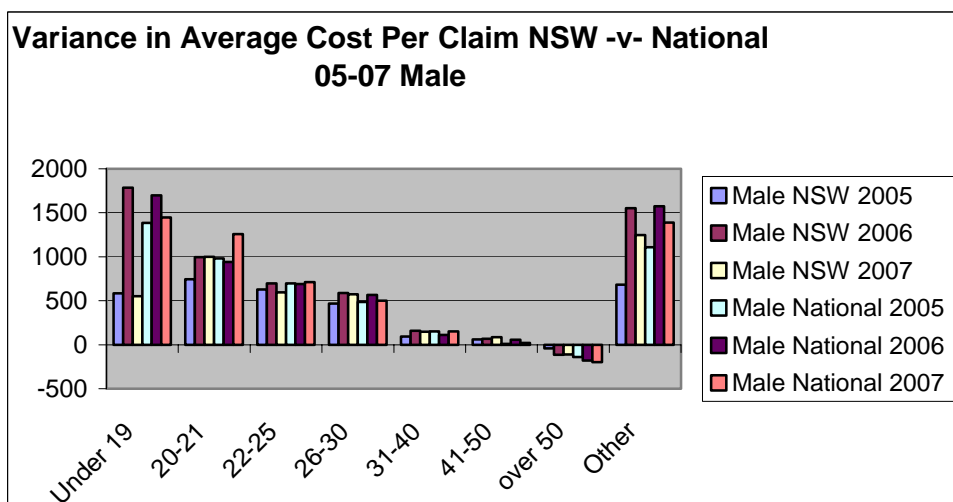


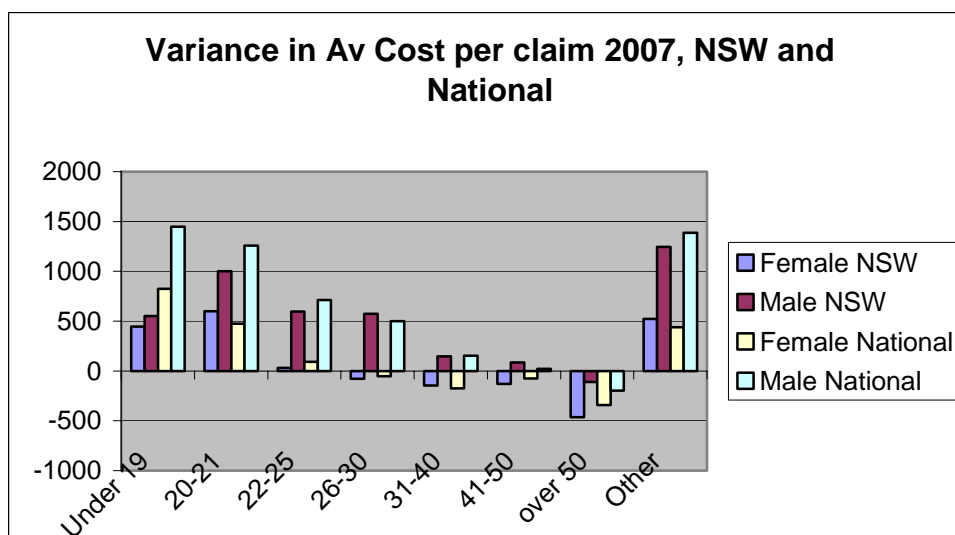
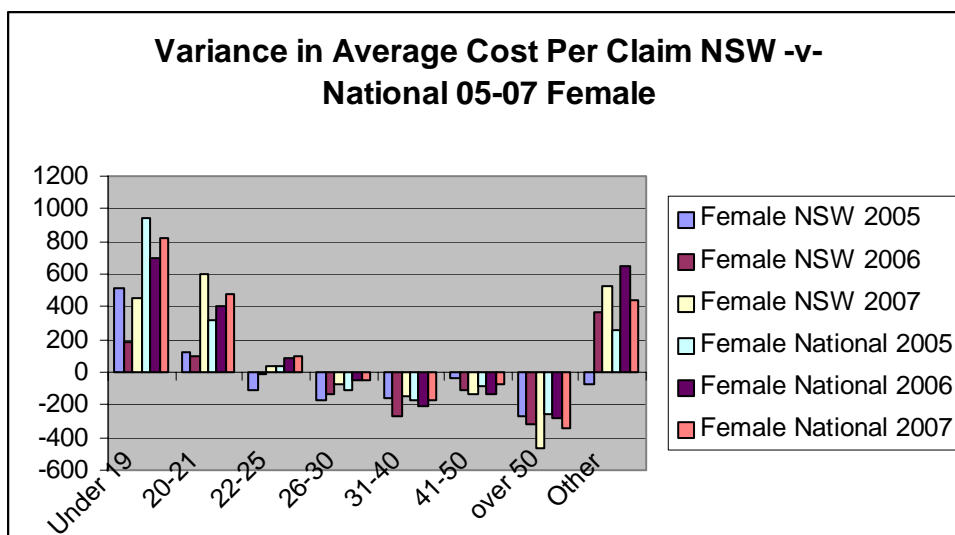
The above graph shows that for 2007 both young males and young females in NSW were below the national variance in incidence rates for under 19 year olds. This difference smooths out as the driver ages and for young males, is slightly above for the age group, 22-25.

1.2 Variance in Cost Per Claim

Cost per claim is one indicator of the severity of the impact (the higher the cost, the more severe the impact of the crash). The following graphs show that NSW males who claimed through AAMI had a lower variance in cost per claim than the national average, in some years by quite a substantial amount. NSW females in the under 19 years old age category reflect this trend, however in 2007 it appears that female variance in cost per claim is slightly above the national average in NSW.

Overall averages for cost per claim in the under 21 year old age group are still significantly higher than the average.





1.3 Sum Insured

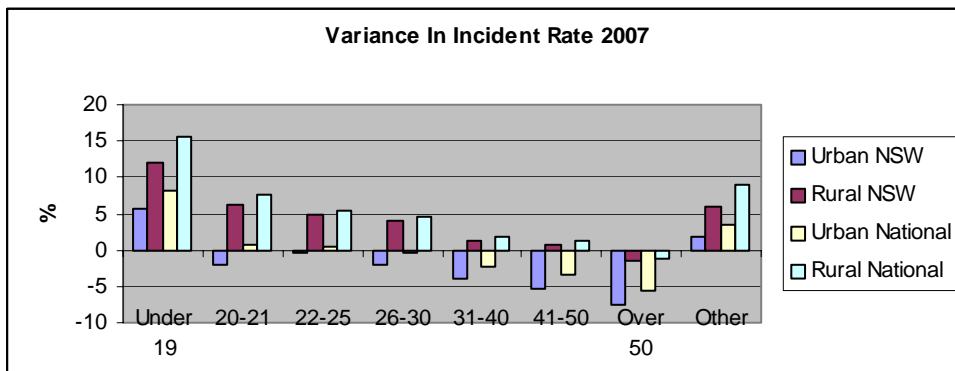
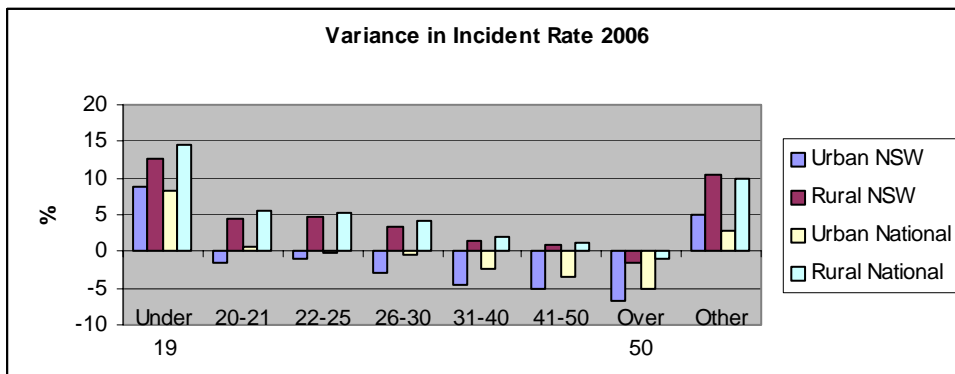
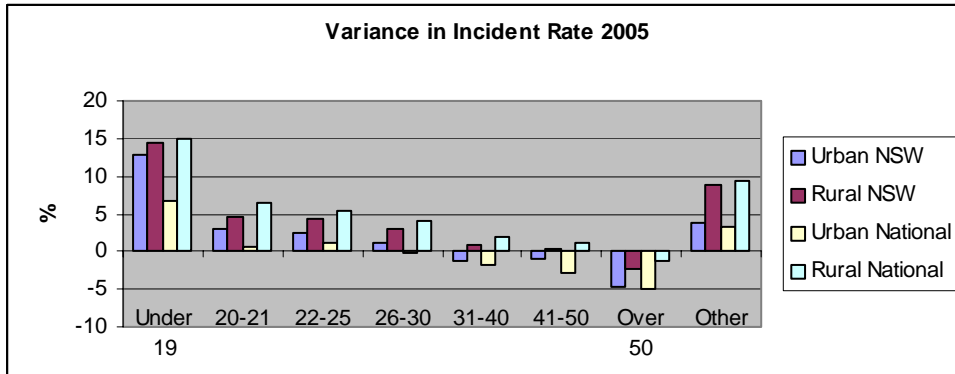
One factor that can influence the cost of repair is the value of the vehicle. This is because, in general the more expensive cars, have more expensive parts and can be more difficult to repair. On analysing 2005 –2007 sum insureds for under 26s, an average of 15% female and 24% males in NSW had vehicles insured for over \$22k. NSW was slightly higher than the national average for this age group (1%). Therefore the sum insured does not seem to play a significant role in the cost per claim for this age group.

1.4 Standard –v- High Performance Vehicles

AAMI also analysed the types of vehicles under 26 year olds insure with AAMI. Over the three year period looked at, AAMI insured a very small number of high performance vehicles for the under 26s (< 3%). Therefore this is unlikely to be a factor in explaining the variances in cost per claim.

1.5 Urban –v- Rural

The following graphs look at the variance in incident rates over the chosen period of time 2005-2007, for urban –v- rural, NSW and national.



The graphs show that the variance in incidence rate is lower in urban versus rural areas for the under 26 year old category in NSW, which reflects national trends. Again variance in incidence rates are falling over time. More recently NSW has a lower variance than the national figures. Incidence rates (whether rural or urban) are highest in the under 19 year old age group. They steadily fall with age after that group, with the largest drop being between 19-21.

2. AAMI Skilled Drivers Course

The AAMI Skilled Drivers Course is a one day, young drivers' awareness course. The overall objective of the course is to positively influence the driving behaviour of young drivers.

For under 25 year old AAMI comprehensive policy holders, or the children/ grandchildren of AAMI comprehensive policy holders, the AAMI Skilled Drivers course is free. AAMI pays for the course. Other drivers can attend for a small fee to cover costs. Additionally those who have attended receive a 10% discount on their insurance premium whilst they are under 25.

In 2006, 8,064 young drivers attended the AAMI Skilled Drivers Program. In NSW the number of participants was 1881 in 2006.

Unfortunately AAMI is unable to provide conclusive claims data for these participants. However, Skilled Drivers conducts research into participant's attitudes towards the program. AAMI engages Sweeney Research to conduct and analyse this research.

2006 Program Analysis

Skilled Drivers and AAMI wished to obtain feedback from participants of the Skilled Drivers course. The primary aim of the research was to evaluate the course with specific focus on measuring:

- The helpfulness of the course
- The importance of course messages
- The likelihood of changing driving habits
- The likelihood of recommending the course
- The impact of the course on attitudes towards AAMI
- The ways in which the course could be improved.

Summary of Analysis

- All components of the course were seen as very helpful (the practical session, the trainer feedback, relevance of the theory content and the quality of the theory presentation).
- Almost all participants said they were likely to change how they drove in the future.
- Almost all participants said they were likely to recommend the course.
- $\frac{3}{4}$ said the course had changed their perceptions of AAMI.
- Fewer than 1 in 10 said they disliked something about the course.
- Participants rated the increase of following distance and reduction of speed as the prominent messages of the course – these themes were also the most frequently nominated ways in which participants intended to change their driving behaviour.

Key Findings

2.1 Practical Sessions rated the most helpful course aspect

Practical session includes;

- exercises that are used to show how small changes in speed affect the drivers ability to control their car,
- corner exercises to show what happens if drivers drive too fast,
- lane change exercises to show how much space drivers need to react to unexpected situations, and
- emergency stop exercises which lets the driver experience how much space they need to stop their car.

High mean scores were achieved across all aspects of the program. The practical session scored the highest (mean 9.37/10).

2.2 Following distance and speed reduction most important course messages

The respondents rated increase following distance (85%) and reduce speed (85%) as the most important messages of the program, followed by;

- greater concentration (69%)
- greater awareness of risks (56%) and
- greater caution (54%).

2.3 The majority of respondents were likely to change the way they drove

Almost all respondents (99%) said they were likely to change how they drive in the future with over 8 in 10 (82%) saying they were extremely/very likely to change how they drive. The intention for improved driving behaviour is just as strong as previous years survey results have found.

Females (89%) were more likely than males to say they were extremely/very likely to change how they drove.

Most people likely to change their driving by :

- Increasing following distance (66%)
- Decreasing speed/wipe off 5 (40%)

2.4 Most respondents were likely to recommend the course

Almost all respondents were likely to recommend the course to friends and others and at least 8 in 10 (81%) said they are extremely/very likely to recommend the course.

2.5 AAMI perceived as caring about drivers safety and young drivers

Participants were asked what their perception was of AAMI, following the completion of the Skilled Drivers Course. The following feedback also provides some insight into what young drivers thought the course achieved.

- 16% felt that AAMI helped prevent accidents and deaths (“they want to save lives not just money”)
- 9% felt it was a good opportunity for young drivers
- 4% felt that it was important to give young drivers experience/information
- 4% felt that it was very beneficial and educational

Conclusion

In conclusion, based on participant feedback AAMI continues to believe that the Skilled Drivers program helps young drivers reduce their likelihood and severity of an accident by addressing some of the key behaviours/beliefs that lead to accidents, particularly following distance and speed.

3. AAMI's Young Driver Index

As part of AAMI's Annual Young Drivers Index, AAMI specifically asks questions to young drivers regarding their attitudes and behaviours. The following provides a summary of the 2007 results for 18-24 year olds versus older drivers. The behaviours highlighted reveal evidence of behaviours that lead to young driver accidents, such as speeding, drink driving, taking drugs and driving, aggression and being distracted behind the wheel. All these behaviours need to be considered in education programs for drivers under 24.

AAMI uses Sweeney Research to collect and analyse the data that it discloses to the community about young drivers' attitudes and behaviours. The 2007 AAMI Young Driver Index is attached to this submission for the Staysafe Committee's information.

The 2007 Crash Index had 2,380 national respondents. The following results refer to NSW/ACT drivers only. For more information regarding national compared to NSW trends please do not hesitate to contact AAMI.

3.1 Speed/Aggressive Driving

Speed is known to be a major contributor to car accidents and young drivers are twice as likely to die on our roads as the rest of the population.¹ Yet despite this, one in five young NSW drivers admit to speeding most of the time.

18-24 year olds were more likely than older drivers to admit that they were an impatient driver (30% -v- 20%). They were significantly more likely to speed to get to work/home sooner (53% -v- 34%), and were more likely to often ignore restricted speed limits (18% -v- 12%).

In regards to speeding, young drivers were less likely to think that being 5-10 km/h over the speed limit is speeding, and 37% of them would be more willing to speed if they won't be caught.

Both age groups were often unsure of varying speed limits (75% of young drivers, 74% of others).

AAMI asked the respondents if they frequently exceeded the speed limit. The results were as follows.

	NSW 18-24 year olds %	NSW > 25 year olds %
Most of the time	18	9
½ of the time	18	11
Some of the time	50	66
None	14	13

¹ ABS

When asked why the respondent was most likely to stick to a speed limit the following answers were given.

	NSW 18-24 year olds %	NSW > 25 year olds %
Loss of demerit points	7	10
Fines	32	27
More likely to have an accident	27	18
The law	20	35
Just don't speed	1	0
Safety	3	3
Not in a hurry	1	1
All of the above	0	1
Have passengers/kids in car	3	0
Road & traffic conditions	1	1
I don't stick to speed limits	0	1
Don't want to get caught	2	0
To drive carefully	1	0
Other	1	1
Don't know	1	1

3.2 Road Rage

In addition to speed, the level of danger increases when coupled with aggression. It seems that young drivers are more likely than other drivers to exhibit signs of road rage. 18 – 24 year olds from NSW were more likely to tailgate than drivers aged over 25 (25% -v- 19%), they were also more likely to think that their actions were justified (16% -v- 10%).

NSW drivers under 25 are most likely to agree that the best response to road rage is to signal an apology, yet they are most likely to respond to road rage by retaliating.

Additionally, 18 – 24 year olds were more likely to have yelled at or sworn at another motorist for doing something they thought was dangerous/rude.

However they do not believe that drivers are becoming more aggressive or that traffic congestion is a major cause of road rage.

3.3 Drink Driving

In regards to driving after consuming alcohol the AAMI Young Drivers Index found the following.

Young drivers are more likely to be concerned that they are over the limit after a night of heavy drinking (58% -v- 43%) and more thought that it was ok to drink and drive after a few drinks as long as they feel capable (15% -v- 10%).

When asked what the maximum number of standard drinks the driver thought they could drink and still remain under the legal limit the following was found.

Maximum No of drinks to Remain Below legal limit	NSW 18 – 24 year olds %	NSW >25 year olds %
1	40	18
2	27	45
3	11	20
4	1	5
5	0	2
6	1	0
Don't Know	19	11

AAMI also asked the respondents whether they had done any of the following whilst driving.

	NSW 18 – 24 year olds %	NSW > 25 year olds %
Driven when probably over the limit	39	35
Driving after taking recreational drugs	20	10
Driven after taking medicinal drugs even though the label warns not to	29	22
Sent or read a text message whilst driving	71	35
None of the above	17	41

3.4 Drugs and Driving

Over 90% of all respondents felt that using illicit drugs before driving affected their driving (regardless of age).

The majority of NSW young drivers and others both trusted the roadside drug test results (52% -v- 58%), whilst NSW young drivers were less likely to believe that recreational drugs pose a much greater danger on our roads than prescription drugs (59% -v- 65%).

3.5 Driving Distractions

The Young Drivers Index Results show that more half (55%) of young drivers accidents have been caused by not paying attention to the road. 71% of young NSW drivers admit to being distracted by sending or receiving text messages. Young drivers were also more likely to use their mobile phone without hands free whilst driving (33% -v- 17%).

Overall young drivers were more likely to have lost concentration whilst driving as they were changing a CD/radio station/tape (56% -v- 39%), they were also significantly more likely to have become distracted whilst driving as they were using an MP3 player (27% -v- 9%). With the wide adoption of portable music devices by young drivers this is an area which needs further consideration.

3.5 Fatigue

Young drivers were less likely to take a power nap/stop if they were tired when driving, (45% -v- 28%), however they were also less likely to have fallen asleep at the wheel (22% -v- 24%).

Young drivers were also less likely to have had a "close call" with a pedestrian or cyclist (28% -v- 38%).

4. Young Drivers Attitudes to Regulation

As part of AAMI Young Drivers research for 2007, it specifically asked questions pertaining to regulation.

Not surprisingly NSW young drivers were less keen on having certain limitations forced upon them than the older drivers.

- Only 36% of NSW young drivers felt that young drivers should not be able to carry more than one passenger in their car between 11pm and 5am (-v- 73% of older drivers, against a national average of 92%).
- 69% of NSW >25 year old drivers supported a curfew for young drivers.
- 64% of NSW young drivers supported a zero tolerance policy for P-plate drivers caught speeding (e.g. suspension of licence).

However, three quarters did support compulsory safe driving course for young drivers which was less than 94% support for drivers over 25 year (the national average for drivers over 25 was 92%).

Out of the respondents, 36% were on their P Plates.

- 93% said they always displayed their P-Plates when they drove.
- 40% felt that the new young driver regulations have improved the safety of P-Plate drivers.
- 71% felt that they had experienced aggression on the roads because they are P-Plate drivers.
- 51% thought that their parents had had enough information to train them to drive.

5. Conclusion

AAMI supports the Staysafe's enquiry into Young Driver Safety and Education Programs, which is working to develop effective responses to young peoples disproportionately high involvement in road crashes.

AAMI is proud of its commitment to driver education provided through the AAMI Skilled Driver program and of its contribution to road safety education through the distribution on the *AAMI Young Drivers Index* for the last seven years and *AAMI Crash Index* over 12 years. AAMI's Indexes are widely acknowledged as useful and reliable snapshots of trends in crashes and driver attitudes. Distribution of these annual Index's helps to raise awareness of road safety issues, unsafe driving behaviours and accident trends.

Our claims data confirms that male drivers under 19 are in the highest risk category. The likelihood to have an accident drops by about two thirds for these drivers aged between 20-25, and interestingly doesn't drop significantly until they are over 30. For young female drivers the accident incidence is similar, with drivers under 19 at most risk and accident incidence dropping by half for those aged between 20 to 25. However female drivers incidence does drop between 26-30 and even more so after 30.

This indicates that the group who would gain the most from driver safety programs are men and women under 19.

The results from our Young Drivers Index research shows that drivers under 25 are more likely to engage in dangerous driving practices such as speeding, consuming alcohol and drugs before driving, being distracted behind the wheel and acting aggressively than older drivers. Components of any driver education program need to address these behaviours.

Our not-for-profit Skilled Drivers Program, which covers the above behaviours, has been shown to positively influence young drivers behaviour on the road.