

**Submission
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DRIVER EDUCATION, TRAINING AND ROAD SAFETY

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Mr Greg Aplin MP
Committee's Chair
Joint Standing Committee on Road Safety
Parliament House
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20 April 2017

Dear Mr Aplin

Inquiry into Driver Education, Training and Road Safety

The Insurance Council of Australia (ICA) is the representative body of the general insurance industry in Australia. Our members represent more than 90 per cent of total premium income written by private sector general insurers. ICA members, both insurers and reinsurers, are a significant part of the Australian economy. In NSW, ICA members provide a range of insurance products including motor vehicle property insurance and compulsory third party (CTP) personal injury coverage.

The ICA is pleased to provide some feedback to the Joint Standing Committee on Road Safety (the Committee). We have outlined below some key points on driver education and road safety for the Committee's consideration.

Road safety is a whole of society issue

The ICA believes that road safety is a matter that has ramifications across society. According to the Department of Infrastructure and Regional Development, the economic cost of road crashes is approximately \$27 billion per year with a devastating social impact.¹ Despite the vast majority of road accidents being preventable, our members continue to see fatalities, serious injuries and car damage occurring on our roads.

In NSW the Lifetime Care and Support Authority provides lifelong treatment, rehabilitation and care services to people catastrophically injured in a motor vehicle accident, regardless of who was at fault. According to their 2015/16 annual report, about 180 people enter the scheme each year as interim participants. After two years, approximately 120 continue as lifetime participants as they have not made sufficient recovery to leave the scheme. At 74 per cent of all injuries suffered by participants, traumatic brain injury represents the most common accident injury. Most of the participants in the scheme are young, with 42 per cent aged between 15 and 34.²

¹ Department of Infrastructure and Regional Development – <https://infrastructure.gov.au/roads/safety/>

² Insurance and Care NSW, *Annual Report 2015 – 16*, October 2016 pp 70-71.

While much commendable work has been carried out over the years to improve road safety, it is evident from the figures reported by the Lifetime Care and Support Authority that a continual effort is needed to reduce the number of catastrophic injuries on our roads.

Driver education

The ICA supports the Committee's inquiry into the evaluation of current driver training, including the effectiveness of refresher training. The ICA believes that more can be done to improve driver education and access to ongoing training. This does not need to be an onerous process. Options to explore include online resources such as videos and short tests at periodic intervals to reinforce good practices. Any such resource would have to be carefully tested and based on sound research to ensure it is effective and not simply a 'tick-box' exercise.

Some of our members offer their commercial fleet customers risk management assistance to improve safety. This service can include reviewing current risk management process and providing advice, recommendations and solutions on how to improve their drivers' safety on the road. Members have found that these short, regular and relevant education sessions have been beneficial.

Driver education and premium pricing

At present it is challenging for insurers to reduce premiums based on the completion of certain driver education courses as the effectiveness of these courses can vary and there is no evidence that improvements in driver behaviour following these courses is maintained over time. Currently there is no program with provable long term results. Our members would welcome further monitoring and longitudinal research on the effectiveness of existing driver education courses.

Telematics

Telematics can be employed in a variety of ways to help improve driver safety. In the insurance industry the use is often focussed on obtaining data from customers in order to better assess their risk and price accordingly. However, there are broader road safety applications that this technology can be utilised for. Many devices and applications provide a summary of information that can be viewed by the driver. These insights into driver behaviour can be used to change or reduce incidences of poor driving behaviour.

For example, we understand that the Uber app uses a driver's smartphone to record acceleration, hard braking, phone use and speeding. After each trip, the app is able to give the driver a summary of how they performed and tips on how to drive more safely. Uber can also use this data to undertake large scale research on the effectiveness of providing this feedback.

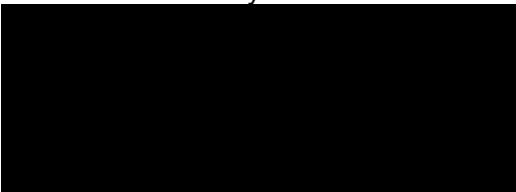
Research

Some of our members are involved in road safety research initiatives. The P Driver project is an initiative funded by IAG. It is a large scale road safety research project to develop and implement a driver education program for young P-plate drivers aged 17 to 22 years. This project is one of the largest research studies undertaken in the area of driver education. The

research focuses on current behaviour, decision making and risk-taking, seeking to reduce the number of crashes and fatalities involving young, inexperienced drivers and promote safe driving behaviour. The outcome of this research may influence changes to our graduated licensing schemes. Once available, we would be pleased to share the findings from this research with the Committee.

The ICA looks forward to continuing to engage with the Committee on initiatives to improve driver education, road safety and training. Should you wish to contact us to discuss this further, please feel free to contact Sarah Phillips, Acting General Manager Consumer Relations & Market Development on 02 9253 5120 or sphillips@insurancecouncil.com.au

Yours sincerely



Robert Whelan
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