Australian Automotive Aftermarket Association Ltd
A.B.N. 23 002 271 454
Suite 16, Building 3, 195 Wellington Road
Clayton, Victoria, 3168, Australia

Phone: 03 9545 3333
Fax: 03 9545 3355
Email: info@aaaa.com.au
Web: www.aaaa.com.au

AN OPEN LETTER TO BHP BILLITON CONTRACTORS

Dear Sir/Madam,

BHP BILLITON'S NEW LIGHT VEHICLE POLICY

I write to you on this occasion to alert you to BHP Billiton's new light vehicle policy (copy attached). Published in May this year the policy applies to all BHP fleet and contractor vehicles and requires that from 2013 onward all vehicles purchased be ANCAP five star rated. The policy also prohibits the fitment of non ANCAP compliant bull bars and aftermarket suspension kits (and upgrades) as well as Roll Over Protection Structures (ROPS). **We are of the view that this decision will result in a significant increase in vehicle damage and immobilisation rates and may present increased safety risks to your employees.**

We recently met with Mr David Jenkins, Vice President of Safety and Security at BHP Billiton to discuss our concerns regarding this policy. During this meeting we took the opportunity to provide Mr Jenkins with a copy of our research on the frequency and outcome of animal strikes and "swerve to miss" accidents in Australia. We also presented the results of a survey of 42,000 Australian vehicle owners conducted last year which compares vehicle immobilisation and occupant injury rates between bull bar and non-bull bar equipped vehicles that have been involved in an animal strike incident as well as information on where the accident happened, the time of day and the distance from the nearest medical and mechanical repair facilities.

In relation to suspension we discussed the rationale behind the upgrading of a vehicles suspension, particularly when it is required to meet additional load carrying capacity and shared with him the results of dynamic vehicle testing we completed in 2009 which measured the stability and performance of 5 popular models of 4WD vehicles fitted with aftermarket modified suspension systems. During the meeting, Mr Jenkins indicated that he did not believe that the changes would have any impact on the safety of BHP employees and contractors and indicated that issues of **'scratched paint'** were not of concern to him.

Mr Jenkins may be unconcerned, but we remain **very concerned**. Our data on vehicle safety in rural areas is based on the most recent and comprehensive research on driver behaviour in Australian conditions. Whether offering protection from animal strikes or acting as a recovery point for stranded vehicles; the bull bar is essential safety equipment in Australia. Harsh rural conditions, extreme weather patterns and abundance of large native animals all contribute to high risk of harm. Bull bars are designed to save drivers lives. With studies showing an impact at over 25 kilometres an hour with a large native or domestic

animal may result in driver and passenger injury and death, bull bars are a vital part of employee safety in rural Australia. The producers, distributors, and users of bull bars know that they save lives, and there is evidence that **the likelihood of occupant injury as a result of animal strike is approximately 30 times higher in non-bull bar equipped vehicles.**

Repair Costs

Insurance data shows that the average repair cost for fontal impact vehicle damage with a kangaroo is approximately $3000. This figure escalates to $7,400 when the strike involves a loss of control of the vehicle (due to secondary impacts) and up to $11,000 if the accident results in a vehicle rollover. These costs relate specifically to vehicle repair costs and do not take into account personal injury costs. Total cost per accident, including social costs such as hospitalisation, rehabilitation and medical expenses has been estimated at up to $44,416.

Vehicle Immobilisation

Our research indicates that the vehicle immobilisation rate for animal strike collisions in a non-bull bar equipped vehicle was 20.4%, dropping dramatically to 0.05% when a bull bar is fitted with 65% of serious animal strikes occurring more than 100 km from the nearest town.

While BHP Fleet vehicles may spend the majority of their time on mining sites, contractor vehicles are the ones travelling to and from mine sites at dawn and night and are at most risk of an animal strike incident.

Protecting Employees

A breakdown of New South Wales accident data reveals that from 2001 – 2005 there were 11 fatal crashes, 1399 injury crashes, and 2532 non-casualty crashes attributed to swerving to avoid hitting an animal within the state. Additionally during the same 5 year period there were 14 fatal crashes, 716 injury crashes, and 1751 non-injury crashes where an animal was the initial object hit. A Rural and Remote Area Road Safety Study conducted from March 2004 to June 2007 in Northern Queensland reported a total of 532 serious road crashes, resulting in 600 human casualties: 29 (3 fatal, 26 hospitalised) were identified where animals were involved.

Bull bars are extremely valuable, not only in terms of the physical safety provided in a collision but in their prevention of associated **'swerve to miss'** incidents. Often, drivers of non-bull bar equipped vehicles will take sudden evasive action, swerving to miss a large animal; unfortunately this can result in a far worse outcome than had there been an initial collision with the animal. AAAA research has shown that up to 74% of people who have encountered an animal strike collision believed that if their bull bar had not been fitted they would have had to swerve or take other evasive action.

This data on occupant safety supports the findings of a 4WD Industry Survey commissioned by the AAAA, which revealed that 51% of total sales were to business customers (fleets, mining, emergency services, tourism operators,

construction, tradesman etc.). In many sectors, companies will specify a bull bar be fitted on every vehicle in the fleet **in order to protect employees.**

Qualified personnel in the resource, mining and civil sectors have conducted risk assessments to develop their Occupational Health and Safety policies and Fatal Risk Control Protocols. Risk assessments to date have indicated that occupants of light vehicles are at risk of injury or fatality should the vehicle be involved in a rollover accident, particularly when laden at highway speed.

Fleet operators in these sectors purchase light vehicles which are manufactured to meet consumer market expectations. The Car Manufacturers are aware of the inherent lack of roof and pillar strength, but have not been forced to improve manufacturing standards. The Australasian New Car Assessment Program (ANCAP) evaluation process does not currently include roof crush testing. Due to this, roof strength is not highlighted as a vital part of the vehicles safety systems and vehicles are therefore not designed specifically to be utilised in harsh environments such as mining.

A common myth around BHP's decision to remove ROPS is because 5 Star ANCAP rated vehicles have ROPS built in. This is NOT the case and until the vehicle manufacturers release performance criteria or test results from dynamic testing to prove that manufacturer's roofs are strong enough, correctly designed and engineered ROPS provide a re-enforcing structure to the existing vehicle body shell. ROPS will support the roof and maintain occupant survival space in the event of a roll over type accident. There are multiple real life examples where ROPS have done exactly this and allowed the vehicle operator and passengers to survive the accident.

Vehicles that are subject to carrying heavy loads with a higher centre of gravity, poor road conditions, high speed travel and fatigued/distracted drivers experience a higher susceptibility for rollovers than vehicles being used for normal road use. BHP's vehicle roll over testing (test consisted of rolling 2 vehicles over - 1 vehicle fitted with ROPS and 1 vehicle with no ROPS) consisted only of one style of low energy corkscrew rollover accident based on their internal data collected only on accidents that occurred on a mine site. It did not account for any of the other factors above that commonly attribute to accidents, outside of a mine site or on gazetted public roads.

We believe that organisations with a strong people safety culture will be taking an enormous risk by adopting BHP Billiton's new light vehicle policy based on the limited engineering evidence made public to date. Until performance criteria and comprehensive validation proves otherwise, ROPS will continue to be an essential safety requirement.

Vehicle Incompatibility

If you provide services to multiple mining companies a further consequence of this change will be that different mining sites will have different mandatory vehicle specifications. This will mean that from 2013 onwards, you will be required to manage different fleets to meet the different vehicle specifications across different mining sites.

ANCAP

There are no State or Federal regulations governing ANCAP requirements and they are not part of the Australian Design Rules (ADRs) that govern the design of vehicles and their safety. ADRs include sections relating to occupant safety and manufacturers must ensure that all vehicles sold in Australia comply with these requirements. The bull bars supplied by members of our Association are legal fitments in all Australian States and Territories, and are recognised as the best frontal vehicle protection in the world.

We recently met with the management of ANCAP to get their feedback on what requirements would need to be met to ensure that a vehicle fitted with a frontal protection system meeting the current Australian Standard maintains its ANCAP rating. ANCAP advised that to maintain the rating on the vehicle they require a physical crash test (64km frontal offset) for each brand of bar on each model of vehicle. The approximate cost of each test would be $100,000 which is commercially unviable, and this testing is not mandatory according to Motor Vehicle Standards Act or Australian Design Rules.

In addition, as part of the ANCAP "Roadmap" they are introducing a pedestrian protection rating score as part of their testing program. From 2014 onwards all "high seat" vehicles introduced into the Australian market will require an "acceptable" or higher pedestrian rating (which equates to a HIC value of 18.5 or above) to achieve 5 stars and this standard will also be applied to bull bars. We are of the view that it will be impossible to design and manufacture a "fit for purpose" bull bar that meets this pedestrian performance criteria. The result of this will be that **it will be highly unlikely that any 5 star ANCAP rated bull bars will be commercially available from 2014 onwards.**

ANCAP are also introducing roof strength testing from 2014 as part of the "Roadmap". We question how occupant protection can be provided in vehicles without ROPS installed while there is currently no testing completed to validate the vehicles roof strength.

Suspension

Virtually all 4x4 and light commercial vehicles sold in Australia are built off global platforms and the settings and equipment that come standard on a vehicle are a compromise based on the vehicle price point, variations in consumer tastes/needs and the countries in which that vehicle is sold. It is our view that the aftermarket modification of a vehicles suspension using quality parts and technicians enhances the performance and safety of a vehicle and ensures that the vehicle is fit for the purpose intended. This is particularly important for vehicles operating in rural and regional areas that require additional load bearing capacity, ground clearance and protection from animal strikes.

Opposition Will Be Short Lived Or Will Be Too Late

In recent discussions with contractors that have voiced their concerns directly to BHP Billiton, it is very clear to us that the company is aware that their decision will not be warmly received. It appears to us that they are working on the principle that opposition to the change will be short lived or will be too late. **This**

Light Vehicle Policy was approved and implemented by the BHP Billiton Executive Management without any consultation with employees, contractors or the Unions and it appears that the only way to facilitate a sensible change in position will be coordinated and widespread opposition from impacted stakeholders.

Therefore we would strongly encourage you to make your views on this issue known to David Jenkins directly. To assist you to do so I have provided his contact details below. We would be very grateful if you would also let us know when you have made contact with Mr Jenkins.

I am available to discuss this issue with you, and happy to provide copies of the same research that has been given to BHP Management. Should you require additional information or wish to discuss your own opinions on the matter please do not hesitate to contact me.

Yours Sincerely

Stuart Charity
Executive Director
Australian Automotive Aftermarket Association

BHP Contact Details

David Jenkins

Vice President Safety & Security, Group HSEC

BHP Billiton,

180 Lonsdale Street,

Melbourne, Victoria, 3000.

Tel: 03 9609 3209 Fax: 03 9609 3600

E: david.jenkins@bhpbilliton.com **W:** www.bhpbilliton.com

About the Australian Automotive Aftermarket Association

The Australian Automotive Aftermarket Association Ltd (AAAA) is the national industry association representing manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment in Australia. The Association has over 1700 member companies in all categories of the Australian automotive aftermarket and includes major national and multi-national corporations as well as a large number of Australian owned small and medium size businesses.