

RED PAPER

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# Managing risk across your vehicle fleet

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Effective occupational road risk management is key to protecting your drivers and other road users, lowering fleet costs and providing proof that management has satisfied their legal due diligence.

- The Health and Safety at Work Act 2015 (HASWA) applies to your vehicles and drivers' safety.
  - Telematics technology is key to providing remote supervision of your driving workforce.
  - Use technology to ensure your vehicles are safe and are being driven safely.
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Your employees who drive are at risk. It is estimated that in 2015, 31<sup>1</sup> people died on New Zealand roads while driving for work purposes, compared with 44<sup>2</sup> fatalities across all other workplace environments. Of the 9446<sup>1</sup> incidents on New Zealand roads in 2015, 30%<sup>3</sup> are believed to have been work related.

If you have yet to decide how to approach managing risk across your heavy and light vehicle fleet, it may be a good time to consider a solution supported by telematics.

This paper addresses the impact of the Health and Safety at Work Act 2015 on vehicle fleets and how businesses can best manage risk.

## How H&S laws impact vehicle use

HASWA defines a vehicle as both a “workplace” and “plant”. A company’s legal responsibility to manage H&S (health and safety) risk at work, including ensuring employee competency or providing suitable and sufficient supervision, now explicitly includes employees who drive for work. Just as you would train and supervise employees who operate machinery or equipment in your workplace, you are obliged to train and supervise staff who drive for work.

## Managing driver liabilities

Employees driving for work must be legal and competent to drive. When a new employee joins your company, you should check their driver licence and implement regular licence checks to ensure they retain their legal right to drive. The NZ Transport Agency’s [‘Driver Check’](#) facility provides a record of drivers’ demerit points. You’ll need permission to access personal information so ensure the employee has granted this before you use this service to check their records.

If an employee has accrued demerit points you may want to consider a proactive approach, such as:

- Removing their access to company vehicles
- Requiring attendance at a defensive driving course
- Prohibiting them from driving in your company’s grey fleet
- Monitoring their work driving performance to a greater degree.

## Supervising drivers

A licence provides a legal right to drive but is not proof of an ability to drive safely. Your company is legally required to provide information, training, instruction or supervision to protect against a risk of injury at work. A driver must be competent to undertake their work safely or be adequately supervised until they are competent.



Historically, many managers have relied on crashes or fines for evidence of inadequate or inappropriate driving behaviour. Advanced vehicle telematics, such as the EROAD system, offer a solution to help control occupational road risk. Companies can now remotely supervise and manage their drivers' competencies and behaviours while they are on the road.

As a fleet manager, you can use the EROAD solution to improve driver safety by:

- Efficiently monitoring, reviewing and managing driver performance
- Making data-driven decisions, using accurate driving performance data
- Providing quick, efficient and effective driver feedback, leveraging simple, easy-to-understand reports
- Minimising the effort required to review reports through scheduling reports
- Ensuring up-to-date vehicle servicing and WOF/COF, via automated reminders.

Once you have identified substandard driving behaviours you can help address them by:

- Providing additional training, information or instruction
- Investigating underlying causes, using a method such as The '[5 whys](#)'
- Encouraging drivers who show a willingness to improve their driving
- Encouraging drivers who are averse to change using consequence management.

## Assuring the safety of vehicles

Your company must legally ensure the safe provision and maintenance of plant, including work vehicles.

To assess a vehicle's design and specification safety standards, check out the [ANCAP](#) 5-star rating system. The higher the ANCAP rating, the greater the protection the vehicle affords its occupants in the event of a crash.

To assure a vehicle's ongoing maintenance and safe condition, you should consider the following:

- A WOF certifies that a vehicle is legally safe on the day it is inspected; it does not provide any ongoing assurance
- Frequent driver vehicle safety checks are essential, as well as regular vehicle servicing and maintenance
- Your drivers are the ones behind the wheel and most familiar with it. They are responsible for the vehicle they drive so leverage this to encourage a proactive approach to vehicle safety.

EROAD's vehicle safety check product, *Inspect*, makes vehicle inspections easy. Drivers can record vehicle defects on a mobile device using a customisable safety check checklist and immediately shares them with the workshop. The *Inspect* mobile app integrates with EROAD's web application, *Depot*, to manage the Reporting/Repairing/Repaired process, allowing drivers to track when the issues they raise have been resolved.

## Managing risks around grey fleet vehicles

A '[grey fleet](#)' typically describes vehicles which are used for work but which the company does not directly own or lease. An example might be where an employee owns the vehicle they use for work but receives a car allowance in lieu of a company car, or uses their private vehicle for work.

HASWA's requirements around company vehicles apply equally to grey fleets. If your company policy allows employees to use a grey fleet vehicle for work, you need to maintain up-to-date records of your employees' driver licences and their vehicles' WOFs, service records and insurance details.

Monitoring staff vehicle maintenance requirements and keeping track of when WOFs are due can be time consuming. A telematics solution like EROAD's automates the process, reducing administrative time and the risk of human error and accidental non-compliance.

In addition to monitoring the safety of grey fleet vehicles, you also need to pay attention to the training or supervision of staff driving them, and train or supervise staff when driving grey fleet vehicles. Again, telematics can support supervising and training, with in-vehicle driver feedback and monitoring.



## Avoid the commuting definition pitfall

Commuting – the regular journey a worker takes between home and work – is not captured by HASWA. However, if an employee travels between their home and an alternative place of work, or a location such as an airport to fly for work, the journey becomes work related and is subject to HASWA requirements.

## Pitch your safe driving policy

The NZ Transport Agency and WorkSafe have taken a [pragmatic approach](#) to managing transport risk with a focus on maximising value and minimising unnecessary paperwork. The Transport Agency's [safe driving policy](#) and WorkSafe's [workplace traffic management guide](#) are useful references if your company is formalising its own policy.

Although there is no legal requirement for one, a written safe driving policy can provide clarity, ensuring everyone understands your company's expectations. Supplementing the policy with a driver handbook, written in driver-friendly language, will help drive engagement. If your policy includes a telematics solution, a bedding-in period during implementation will help familiarise drivers with the technology, building driver trust, and providing your business with a baseline from which to measure performance improvements.

## The reasonably practicable argument

Throughout HASWA the term “as far as is reasonably practicable” is used as a check and balance on the rationale of potential risk control measures.

To assess whether a recommendation is reasonably practicable, a PCBU (person conducting a business or undertaking) must research possible controls which will effectively manage the risk. They must evaluate these controls to assess whether they are suitable, sufficient and available in the market to eliminate or minimise the specific risk to a reasonable level. A WorkSafe investigation would likely assess what a PCBU knows or ought reasonably to know about the risks or available control measures. Finally, the cost of any control measure should not be grossly disproportionate to the level of risk reduction.

## Conclusion

The explicit inclusion of the word “vehicle” in the definition of a workplace in HASWA has clarified the legal requirements for managing occupational road risk. In almost any business, driving presents the most hazardous daily activity for staff. Whether the journey is in a heavy or a light vehicle is immaterial.

Vehicle telematics technology can empower companies to manage their road risk and comply with health and safety regulations with a solution that is deemed “reasonably practicable”.

Simplicity is key in effectively managing road risk. EROAD technology offers a solution for fleet managers to create an effective occupational road risk management platform for the vehicle, journey and driver. Companies can take comfort in the knowledge that EROAD is partnering with them to manage all aspects of their road related risk.

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**Chris Evans** is Health and Safety Stakeholder Manager at EROAD. He has 21 years' senior management experience leading company strategy in health, safety and the environment (HSE) and risk management in the UK and international markets.

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### REFERENCES

<sup>1</sup> [NZTA statistics, Motor Vehicle Crashes in New Zealand 2015](#).

<sup>2</sup> [WorkSafe statistics 2015](#)

<sup>3</sup> [Crash management NZ](#)

<sup>4</sup> Health and Safety at Work (General Risk and Workplace) Regulations 2016, Regulations 5-9

<sup>5</sup> Health and Safety at Work Act 2015, Section 20(2)(a), 16, 36(3) (b-d), 6(3)(f), 37(1), 4