ROAD SAFETY COMMITTEE

Inquiry into vehicle safety

Melbourne—29 October 2007

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Witnesses

Mr A. Sanders, Manager, Certification and Regulation Compliance Department, Product Engineering Division, Mitsubishi Motors Australia Ltd.

The CHAIR—Welcome to the public hearings of the Road Safety Committee's inquiry into vehicle safety. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Parliamentary Committees Act 2003. Having said that any comments you make outside the hearing may not be afforded such privilege. As you can see we are recording today's evidence and at the earliest opportunity you will receive a copy of it so you can make changes as appropriate. The members of parliament are Ian Tresize, Paul Weller, myself John Eren, the deputy chair David Koch, our executive officer Alex Douglas and our research officer David Baker. If you would like to start your submission with you full name and the organisation that you belong to.

Mr SANDERS—Thank you. My full name is Ashley Sanders and my position is manager certification and regulation compliance department at Mitsubishi Motors Australia Ltd. I would like to start by thanking you for the opportunity to make this presentation to the parliamentary Road Safety Committee public hearing.

Slides shown.

Mr SANDERS—As you know, Mitsubishi Motors is a manufacturer in Australia and also an importer of motor vehicles to Australia. We are a member of the Federal Chamber of Automotive Industries and I sit on the technical committee of that chamber. In addition our parent company and its associates are members of the Japanese Automotive Manufacturers Association; the international organisation of motor vehicle manufacturers [OICA], the alliance in the United States and the European Automobile Manufacturers Association in Europe. We also hold observer status with the Australian National Crash Index Study, a collaboration between researchers, government, industry, consumer groups, insurers and other interested parties. [ANCIS] is based at the Monash University Accident Research Centre and has existed for seven years now and is in its third stage. We also work closely with the Centre for Automotive Safety Research [CASA] based out of Adelaide University.

I mention ANCIS and CASA because it is through these associations that Mitsubishi Motors gain much of our knowledge on road safety and road trauma in Australia. From those observations we recommend a systems approach to the problem of road trauma in general and in Australia in particular. That total systems approach relies on three quite distinct facets: the road and infrastructure; the driver themselves and, of course, the motor vehicle. At Mitsubishi Motors we see each of these as having a significant contribution to road safety and the reduction of road trauma.

Looking firstly at the road: the road system and infrastructure are controlled of course by government and include such factors as the road design itself; the interrelated issues of speed zones and traffic flows; the physical condition of the road system itself and the presence and location of roadside obstacles, including trees, protective and non-protective fencing, signage, lampposts and all the other objects that an out of control motor vehicle can hit.

Turning to the driver there are a number of issues also: skills and experience encompassing licensing and driver training are foremost to this. On this point we recognise the decision of Victorian regulators to impose restrictions on vehicles that P-plate drivers can operate. But at the same time we take the opportunity to point out that there are still limitations to that system. An example of this is the Mitsubishi Colt Ralliart and Cabriolet models which have a power to weight ratio of less than 100 kilowatts per tonne and includes significant safety features but are still not able to be driven by P-plate drivers in Victoria. Another factor of course is the use of drug and alcohol and we recognise and support Victoria's stand on drug and alcohol testing on road. Fatigue is another factor, and Mitsubishi in recognition of this includes warning systems in all our locally manufactured models.

Mr KOCH—Ashley, where does fatigue rate with drug and alcohol?

Mr SANDERS—I do not have research with me today to support my opinion but I would say that fatigue is right up there with drug and alcohol, especially in Australia with long distances involved and the numbers of accidents and fatalities that we see in rural locations. Finally, policing strategies, including the physical presence of police out on the road to detect inappropriate driver behaviour, including speed, use of mobile phones, entertainment systems and suchlike.

Mr TRESIZE—Ashley, you are from Adelaide, aren't you?

Mr SANDERS—Yes.

Mr TRESIZE—In South Australia—and this is completely off the subject to some degree—teenagers can drive at 16 years of age.

Mr SANDERS—16 years of age, yes.

Mr TRESIZE—In Victoria it is obviously 18.

Mr SANDERS—Yes. There have been some changes to licensing in South Australia in recent years. A 16-year-old is allowed to get a learner's licence. They then have to go through at least six months training through a logbook system where they have to compile at least 50 hours with a licensed driver. Included in that 50 hours has to be 10 hours of after-dark work that they have to have signed off. They then go on to a restricted licence, a provisional licence, and the period of the provisional licence has been extended in the recent past.

Mr TRESIZE—You get a provisional licence at, what, 16 years?

Mr SANDERS—16 years and six months, I think. It is either 16 years, six months, or 16 years, nine months. Sixteen has been the licensed driving age in South Australia forever, basically forever.

Mr TRESIZE—Statistically a 16-year-old is more at risk than an 18-year-old, do you know?

Mr SANDERS—I do not know so. I would suggest it is more based on experience. A 16-year-old in South Australia is probably at no higher risk than an 18-year-old in a state where 18 is the driver's age, but I have not got any statistics with me to back that up. If we move on to the vehicle itself, the vehicle plays a role in minimising road traumas through its vehicle safety systems, both active and passive. Passive systems are those which help protect the occupant once a crash occurs and are often seen as being the older technologies, whereas active systems are those that help to avoid the accident or the crash event occurring in the first place.

Let's look at the passive systems firstly because they are the older technologies. Passive systems maximise the crash energy that the vehicle absorbs, with controlled crush zones and carefully designed components, such as seats, instrument panels, door interiors, things like that. We also design strength into the structure of the vehicle itself to ensure that we maintain the occupant compartment after a crash event occurs. In Mitsubishi's case we utilised the RISE technology, Reinforced Impact Safety Evolution, #monocot body design, and that incorporates the latest high-strength and ultra high-strength steels and uses specialised manufacturing techniques. We are very proud at Mitsubishi of our one-piece vehicle side outer panel that we manufacture into the Mitsubishi 380 model, for example, which required a $40 million investment in our crash shop but which enhances vehicle side structures through structural integrity.

Other passive safety systems include the seat belts and child restraints, in some cases pre-tensioned or with load-limiting devices. The pre-tensioning occurs, of course, when the systems detect imminent crash. The seat belt and these devices have the effect of coupling the occupant's mass to the mass of the vehicle and restraining the occupant and the inertia along with the vehicle structure. We also provide cushioning between the occupant and the vehicle structure using the SRS systems, the various airbags that are present in the newer vehicles, including driver and passenger front airbags, knee airbags, curtain, seat and pillar based side airbags.

Active systems, on the other hand, tend to be the newer technologies and those which act to prevent the accident from happening in the first place. Some have been in existence for quite some time and are highly developed and robust. Mitsubishi vehicles, as I mentioned before, have included rest alarms and speed alerts for quite some time. We have also had anti-lock braking and traction control systems since the early 1990s. Other newer technologies that are entering the marketplace more commonly are yaw control and electronic stability control. Again, Mitsubishi vehicles utilise these technologies extensively. Even more experimental, though, are the adaptive cruise control systems and automatic vehicle guidance systems that are gradually

being developed and introduced to the market as technologies mature, suitable infrastructures are available and, most importantly, as market demand rises.

Mr WELLER—When you say you use the electronic stability control, when is it going to be available on the 380?

Mr SANDERS—We are currently developing it with Bosch as our preferred supplier, and it should be to market by next year.

Mr KOCH—Will it be right across the 380 range or will it be an option for—

Mr SANDERS—It will not be an option on the models that it is available on. At the moment we are developing automatic transmission system, and the reason that we have chosen automatic transmission is because that accounts for 95 per cent of our model range. It enables us to bring the product to market quicker and there is some doubt as to the longevity of the manual transmission models at this stage. We have taken the decision to move forward as quickly as we can with the automatic transmission model to get it to market quickly.

Mr KOCH—We will see electronic stability control across that total range prior to the end of 2008. Is that what we are hearing?

Mr SANDERS—Yes, that is correct.

Mr WELLER—That will be the standard.

Mr SANDERS—As a standard.

Mr KOCH—As a standard fitment, yes. Mitsubishi Motors engineers conduct testing on prototype vehicles at each and every stage of the development process, including production trial stages. Our vehicle safety systems exceed the requirements of minimum regulated standards by a wide margin. We test at higher speeds, impose greater loads and expect lower injury criteria in all development tests. I had hoped at this point to take you through a couple of videos but for some reason the video is not working on this computer, but basically what we are looking at here is an offset deformable barrier test. The offset is 40 per cent. We are running into an aluminium core bolted onto a sled, we run into that at 56 kilometres an hour. Regulation only requires that we run into that at 48 kilometres an hour. This was showing Mitsubishi 380 in one of the earlier stages of its development and took us with a crash into the wall and showed at the end of this clip how the passenger compartment still retained its structure. That was what we were trying to demonstrate here. I will make this entire presentation available through Alex after this hearing and you should be able to run that from your computer.

This was a view from the top. Again it runs only for a few seconds but you can see on the bottom left-hand side the aluminium barrier that the vehicle is running into. As you can see it only has a 40 per cent offset and that is simulating two vehicles running head-on into each other. The tendency is for vehicles, because they are in two different lanes, to not have a full impact across the entire front of the vehicle. This is a test which evolved from a European test protocol and has been introduced under harmonisation into the European market.

The CHAIR—These tests are conducted overseas?

Mr SANDERS—This test in particular was conducted at our passenger car research centre in Japan, yes. This one here you can see is running into a flat brick wall. On the right-hand side you can see a 70-tonne concrete wall covered by a 19 millimetre plywood face, and the vehicle runs in perpendicular to that wall. In this case both airbags will go off and we see more interaction with the passenger on this particular test. This is just the top view from that. You see both of the dummies are fully instrumented and measure various injury criteria, including head injury, sternum, lower leg, upper leg. This test is the dynamic side intrusion test, you have the barrier coming in from the left-hand side. Again this is an aluminium foam barrier and we test just with the driver's side dummy in this case and we are predominantly measuring again head injury criteria and

chest in this case. This was a close-up which gave some view of where the head and shoulder and thorax went in this case. From this view what we are examining is making sure the door stays closed, so making sure the latches are operating effectively.

Mr WELLER—It stays closed.

Mr SANDERS—Yes.

Mr WELLER—What about if you have had an accident and you want to get out?

Mr SANDERS—Yes. One of our criteria is that the door must be able to be opened within a certain force range. There may be some increased force required but the door must be able to be open. We set a range that we believe is acceptable for after-crash events. The actual latching of the door is required by an Australian Design Rule, ADR No. 2, so the door must stay latched but then we have this additional criteria that must be able to be opened, and that is also included in this—

Mr WELLER—So what speed is that at?

Mr SANDERS—The side test speed, off the top of my head, is 48 kilometres an hour. I can check that and let you know.

The CHAIR—Do you have access to records of any vehicles that are involved in crashes which involve fatalities that were driving a Mitsubishi?

Mr SANDERS—Through our association with ANCIS if there were Mitsubishi vehicles involved in stage 1, yes, we do; also through our work with the Centre for Automotive Safety Research at Adelaide University. There is some information but, to be honest, there is not a great deal of information on Mitsubishi vehicles. They are under-represented in the statistics that we have access to. Independent testing also shows that the injury criteria rising in crash tests are significantly lower than the regulatory requirements. This test is the new Outlander that has been on sale for about a year in Australia now. This test was conducted at ADAC in Germany under the EuroNCAP protocol. The head injury criteria, for example, to meet the requirements of the test protocol, is that it must be less than 1,000, head injury criteria. The result in this case was 216 for the driver and 144 for the passenger. It is significantly lower than the regulated requirement, at a speed higher than is required by regulations.

Mr KOCH—Why would Mitsubishi see fit to decommission ESC in the Outlander range in Australia compared to what you retail in New Zealand?

Mr SANDERS—I am not aware that we are decommissioning. At this stage ESC is available across the board in V6 models.

Mr KOCH—Despecification is the word I am looking for, not decommissioning, despecify. I believe you have standardisation of ESC across the whole range, where in Australia it only applies to the VR and the VRX as the standard equipment.

Mr SANDERS—In Australia we have it across the board in six-cylinder models. We have introduced the four-cylinder model to the market as early as we could, and it will be standard across the board from the end of the year in the four-cylinder models. It is a timing issue more than anything else.

Mr KOCH—It is currently standard across your four-cylinder models in New Zealand?

Mr SANDERS—I do not believe we are selling the four-cylinder model in New Zealand.

Mr KOCH—I stand to be corrected but that is my understanding.

The CHAIR—The point is that it is fine and dandy to do the research and tests and so forth in Japan and you come up with various safety options that go into the vehicles to prevent injury, but when it comes to

the time of getting it here, if there is some despecification going on we do not fully benefit from all this research and safety equipment, as obviously the Outlander has the ESC in New Zealand and yet when it is here, somehow despecified—

Mr SANDERS—No. As I said, it is standard across the board on V6 models and it will be across the board on four-cylinder models by the end of the year. This is a timing issue.

The CHAIR—There is no other despecification of safety vehicles that come into the country?

Mr SANDERS—No. We do not have a policy of despecifying vehicles. I will show that with some of the statistics a little bit later on.

Mr KOCH—It is indicated to us that, on the Outlander, ESC is not available on the LS and the XLS models. I cannot tell you whether they are the six- or the four-cylinder model. It is only available on the VR and the VRX. I query, along with Chairman John, as to why it would be despecified on those two models. Is there a legitimate reason that Mitsubishi would go down this path or is it from the point of view of being able to gain greater retail opportunities out of making it an option on some and not others?

Mr SANDERS—No, it is not an option on four-cylinder models.

Mr KOCH—Is the LS and the XLS four-cylinder?

Mr SANDERS—Four-cylinder models, yes.

Mr KOCH—Our information is that that is available in New Zealand.

Mr SANDERS—We have introduced that as 100 per cent fitment on V6 models and, as I say, it will be introduced to four-cylinder models by the end of this year.

Mr KOCH—That is good. We look forward to it, but our understanding is that is currently available in New Zealand on those four-cylinder models and not in Australia. We would query why that was the case. Do you have a response?

Mr SANDERS—I do not have a response to that.

Mr KOCH—This reinforces what John was saying. What we have seen internationally and what is standard equipment when it gets to Australia, bearing in mind 80 per cent of the motor vehicles in Australia are imported, despecification for various reasons across various manufacturers and their models has been quite evident.

Mr SANDERS—This is not generally a policy for Mitsubishi. The head injury criteria in the side impact test conducted by ADAC was a mere 45 against the same 1,000 requirement. As you can see from this slide, Australia has led the world in aspects of vehicle safety. We were the first to introduce mandatory seat belt regulations, and we have not one but three occupant protection regulations as compared to only two in Europe and in the United States. In Europe they have only offset frontal and dynamic side, and in the United States they have full frontal and dynamic side, but none of them have all three. The auto industry has worked cooperatively with government to achieve these safety results in Australia, and these are just examples of the innovation that has been introduced over the last three decades. We continue to work collaboratively with government to produce increased vehicle safety. Research and innovation often leads regulatory action from government. I mention this because the most recent innovations are generally not—

TAPE MALFUNCTION

—there has not been a performance based test for this technology. It is only in the last 12 months that the United States has introduced regulation FMVSS 126 but this is still subject to phase-in through to 2011 in the United States. It has been announced that the US is intending to offer this FMVSS test as a global technical regulation under the United Nations Working Party 29, and it is expected to be voted on by March next year.

If, as expected, the regulation is adopted as a global technical regulation, Australia, as a signatory to the 1998 agreement, will be required to commence regulatory action within one year of the GTR being ratified. Regardless of this, the Federal Chamber of Automotive Industries statistics show that the auto industry in Australia is rapidly and proactively introducing electronic stability control in response to market demand. Fitment of ESC in Australia already exceeds the US requirements without any regulatory intervention.

The CHAIR—Can I understand from some of those comments that you are in favour of those regulations as a manufacturer in Australia, or you are against them or what is your view?

Mr SANDERS—We favour being able to demonstrate that our vehicles comply with some objective test rather than being able to tick a box to say we have a feature.

Mr KOCH—You would see market forces in front of regulations?

Mr SANDERS—Not necessarily, but we always have to respond to market forces. What I am saying is that some of these technologies are so far in front of regulation that it is going to take a while for regulation to catch up. Electronic stability control is one of those features that is expensive to produce, takes a long time to develop for particular vehicles, and market forces move more quickly than regulation does.

The CHAIR—When you say expensive to produce, are you saying that that technology is expensive to implement into the cars?

Mr SANDERS—Yes. We have not only development cost. It costs us to work with suppliers like Bosch or like Continental Teves or Advics to develop the system for our vehicles. We do not do that in-house; we work with an expert supplier. Then it is expensive to introduce, as far as the piece cost, to the vehicle.

Mr WELLER—At the ESV conference in Lyon in June, it was stated there—and they had people from all around the world involved in the automobile industry there, and no-one argued that if it was on all vehicles and the vehicle already had ABS braking it would only cost an extra $US110 for the actual part.

Mr SANDERS—That is very different to the cost that we will be subjected to with the Mitsubishi 380, for example. I can only speak on the local product as far as that cost goes, but that is very different to the cost that we are going incur with that vehicle.

Mr TREZISE—Are you able to give a ballpark figure of what you are talking about?

Mr SANDERS—Closer to five times that amount. Sorry, that was US dollars.

Mr KOCH—Yes.

Mr SANDERS—Closer to four times that amount in a piece cost. We are talking between $400 and $500 in piece cost. Some of that will be subject to volume. It is always cheaper to make 100,000 as it is to make 10,000 parts, of course.

Mr KOCH—If it is standard on your 380 and it is standard on your Lancer—

Mr SANDERS—Unfortunately, different parts. You cannot say that the system on Lancer can directly be changed over and put onto a 380, for example. Very unique, so you have different parts. Similar parts; for example, with the electronic stability control system you will still have a hydraulic unit, you will still have a yaw rate sensor, you will still have a steering angle sensor, you will still have wheel sensors to detect the wheel spends.

Mr .....—The technology will be the same. It will have to be packaged differently.

Mr SANDERS—Each part will be different for each vehicle. There can be some carry-over. For example, on the 380 we will use a yaw rate sensor out of Bosch which is used on some different models in Japan and Europe. We use a steering angle sensor that we have previously used on the Magna Verada range,

but we will then have to tune those parts for the system. We have a development cost and a piece price cost.

The CHAIR—Would it be more expensive to fit ESC on a front-wheel drive as opposed to a rear-wheel drive?

Mr SANDERS—No.

The CHAIR—It makes no difference?

Mr SANDERS—No. Essentially, what you do with ESC is you put wheel speed sensors on each wheel, you put a yaw rate sensor in the middle of the car which tells which direction you are going and how quickly you are accelerating or decelerating, and you put a steering angle sensor on the steering wheel. Then you put a hydraulic unit in that is able to increase pressure to each one of the wheels individually. There is a pump in the hydraulic unit rather than just using brake pressure that you are putting into the system with your foot, and you have the electronics, the hardware and software.

Mr WELLER—You include the development cost in that $450?

Mr SANDERS—No. That is the piece price only.

Mr WELLER—Just the piece price only, you are saying.

Mr SANDERS—Then we have a development cost with whichever supplier that we are using. In the case of 380, development cost is with Bosch. If we then talk about the even more technologically advanced systems, adaptive cruise control and automatic vehicle guidance, at the moment they are too immature to make regulation possible. One of the issues with the newer technologies is that they rely increasingly on the availability and control of radio wave frequency and band width. These are under the direct control of the Australian Communications Media Authority [ACMA] and band width allocation often differs between regions, meaning that technologies available in other locations are not directly able to be adopted in Australia. This is a particular problem for adaptive cruise control at the moment in that it works in the band width that is also used for radio telescopes in Australia. If you have an adaptive cruise control system at the moment it has to either be manually switched off or automatically switched off when you close to a radio telescope area. Until that changes, until they move band widths—and there is some intention to move band widths in 2015—that will continue to be the case. It is not automatically a system that can directly be introduced into Australian vehicles without any modification. That is despite the best harmonisation attempts that we have in Australia at the moment.

When it comes to technological innovation Mitsubishi Motors is not different from other manufacturers. We react to regulatory pressures and market demand. In general, we work in long development cycles with a new model release of any particular model within a segment operating on a life cycle of five to seven years. This has significance for the adoption of emerging technologies. If a vehicle is not originally designed for an emerging technology, it is usually much more expensive and much more difficult technically to adapt that technology to that model.

At the moment with the Mitsubishi range we are fortunate that most of our products are quite fresh in the marketplace, having been introduced over the last couple of years—New Pajero, new Triton released this year; new Lancer released this month. Most of the produce that we have out there is quite contemporary. We see that in the fitment rates of technologies into these vehicles. You can see the ASC is a Mitsubishi acronym for ESC, active stability control. We have had it on Pajero since 2002. That is perhaps in recognition that stability control was originally thought of in the US as a counter proposal to the vehicle stability problems with four-wheel drives, as a roll-over counter measure as much as anything else.

The CHAIR—Just on that, the electronic stability control has varying names. Every different company wants to put their own name on it which gets very confusing in the marketplace. Just when people are getting used to the ESC in terms of what the technology involves, obviously various manufacturers have their own—Ford has dynamic stability control, you have ASC. For the sake of that technology, so it could be properly understood in exactly what it does in the wider community, would you be inclined to standardise the

name?

Mr SANDERS—We have standardised the name as ASC.

Mr KOCH—Across the industries, not across your own manufacturer.

Mr SANDERS—That is probably a question to ask of Federal Chamber, if that was seen as something beneficial. We have been using the ASC acronym ever since we introduced these technologies back in the early 2000s at Mitsubishi. As far as our brand goes we have been very consistent with ASC as our version of electronic stability control. You can see new product, for example, basically standard equipment across the board. We see this as a very important technology. As I have mentioned before, we are working as hard as we can with our friends from Bosch to introduce ASC on the 380 within the calendar year 2008.

Mr KOCH—From a marketing point of view, knowing ESC or one of these derivatives of stability control is available standard on the Commodore range and now standard on the Ford range, has the 380 suffered from a marketing point of view from not having that technology currently in place to compete on even ground with other manufacturers within Australia with whom you compete, across the whole spectrum?

Mr SANDERS—In the large passenger car segment 380 was released before any of the competitors at the moment. The Commodore, the Orion—380 was released before them. It is fair to say it has not sold as well as it could have.

Mr KOCH—It has marvellous attributes.

Mr SANDERS—It does have marvellous attributes.

Mr KOCH—Just bringing this particular stability control into play in a marketplace that does look poor, every advantage safety-wise for your dollar there.

Mr SANDERS—It does. It is obviously a reason that we are developing at the moment as quickly as we can. Our general philosophy when we developed 380 was that, as a front-wheel drive inherently more safe than a rear-wheel drive, we are very comfortable with the safety rating of 380. The market demand has developed such that we need to go into ASC with 380, with that product.

Mr WELLER—You say you have it across your range but what about the Tritons?

Mr SANDERS—It is not developed on Triton at this stage.

Mr WELLER—Is it planned to?

Mr SANDERS—The long-term plan, yes, of course, but again based on market demand and development time.

The CHAIR—Could I just ask, in terms of the manufacturer giving either incentive or education to the people that sell these vehicles, which are the big dealerships, do Mitsubishi have a program of fully informing those sales people at dealerships about the safety features of the vehicle?

Mr SANDERS—Yes. With every new model launch we go to each region and we invite every dealer to send their sales staff in for sales training. We have just gone through that phase with the new Lancer, for example. Sales staff from each dealership would have come in and undertaken sales training and we would have gone through the—you have probably seen the advertisement for new Lancer, the safer, smarter, greener sales pitch, and one of the predominant things in that is safety.

The CHAIR—Do you have or would you think of having an incentive from the manufacturer to dealerships if you packaged a safety bundled car rather than a safety feature which is bundled with expensive equipment like leather seats or sunroof and 10-stacker CDs? Are you going down the path of bundling safety features in the vehicle and possibly offering incentives to those dealers to push these sales?

Mr SANDERS—I do not think I understand your question. If we have electronic stability control, for example, across the range then that sells itself. You do not need to sell on that feature.

The CHAIR—No, I am not just talking about the ESC. I am talking about other safety features.

Mr KOCH—We are talking from an optional point of view, not a standard feature.

The CHAIR—Instead of, for example, having one or two safety features which is in the luxury package which is obviously going to cost a lot more to purchase through bundling those safety features with other luxury items, is Mitsubishi thinking about having a bundle which is specifically in terms of safety and saying, 'This is a bundled pack which involves the latest technological advancements in terms of safety, and as Mitsubishi we are giving incentives to dealers to sell as many of these cars as possible.'

Mr SANDERS—We do not bundle safety like that.

The CHAIR—I know you do not. I am just saying, are you thinking of it in the future?

Mr SANDERS—As I said before, we offer safety across the board on the models that we are selling.

The CHAIR—Right.

Mr SANDERS—Active stability control is fundament to all new model releases. As we introduce new models to the market you are seeing evidence that we are introducing them with ASC, and we are introducing them with ASC across the board.

Mr WELLER—When does the new Triton model come out with ASC on it?

Mr SANDERS—Triton is one of those models that has a really long life cycle. The previous model Triton ran for nine or 10 years in the market. That is obviously one of the products that we will have to look at introducing ASC to mid-cycle rather than with the new model release. We would not expect to see a new Triton for at least another five or six years and probably longer than that, being a workhorse vehicle. Other technologies, the adaptive cruise control and vehicle guidance systems, can only be introduced as the technologies mature, cost effectiveness increases, because at the moment these things are very expensive to manufacture and implement. Australian infrastructure is not as good as it could be for most of these technologies and there is not market demand there at the moment.

Mr KOCH—How safety conscious are you of purchasing clientele across your range of motor vehicles? I appreciate that your unit structure is probably not as great as other manufacturers in the country and there are some limitations on you cost-wise from that point of view, but how safety sensitive is your client base?

Mr SANDERS—It is fair to say that the safety consciousness is increasing but it is till true to say that most customers do not want to pay for safety. If you give them a choice between a vehicle with safety at the cost that it has cost the manufacturer to put that safety into the vehicle and a vehicle that does not have it, there is a high percentage of customers that will take the cheaper vehicle. That is one of the fundamental problems.

I started the presentation by saying that Mitsubishi Motors believes in a three-pronged approach in achieving further gains in road safety in Australia, including Victoria. We believe that market forces and the proactive participation of the auto industry in the vehicle safety part of the equation has seen enormous gains in the past decade. Mitsubishi Motors, as a local manufacturer and large volume importer, will continue to actively pursue vehicle based technologies as a means of further improvements in this area.

Moving forward on vehicle safety, the only alternative to allow market forces to work efficiently, as they have in the recent past, is for government to regulate emerging technologies and make them mandatory. If government chooses this path then Mitsubishi Motors believes that it should be done on a federal basis,

operating in the environment of international harmonisation. For the vehicle manufacturers this gives certainty for the immediate future and ensures an even playing field for all market participants. For society it ensures that the features are cost beneficial, that all reasonable alternatives have been considered and that regulation is the best overall solution. That said, we should not ignore the other equally important factors in the road safety equation. As vehicles become safer and safer through market-driven technology improvement and further vehicle safety gains become more and more difficult and expensive to achieve, the other factors take on increasing significance.

According to the Australian Bureau of Statistics, the average age of passenger vehicles in the Australian population dropped slightly from 10.1 years in 2002 to 9.8 years in 2006. That is with still 21 per cent of the passenger vehicle population being manufactured before 1991. This means that half of the existing fleet out there in the carpark is not even covered by the occupant protection offered by ADRs 69, 72 and 73, and an even greater percentage of the vehicles has far less crashworthiness than that. What we are suggesting here is that finding ways to move people out of older cars and into newer cars would be a strategy that should be examined.

The CHAIR—Have you any ideas of how that could be achieved?

Mr SANDERS—I have some personal ideas. Mandatory vehicle inspections is probably a good move. Policing—

Mr KOCH—Do you have those in South Australia?

Mr SANDERS—No, we do not.

Mr KOCH—New South Wales does.

Mr SANDERS—New South Wales does. I do not think that any other state does. Most states have a policy of inspecting a vehicle upon transfer from another state but they do not have mandatory over the pits on a one- or two-yearly basis, except for New South Wales.

Mr KOCH—It is annual in New South Wales.

The CHAIR—Any others?

Mr SANDERS—Not at this stage. At least equally concerning is the demographic driving these older vehicles. The young and the least experienced drivers are driving the least protected vehicles. Australian Transport Safety Bureau stats here demonstrates the over-representation of young people in road trauma. Clearly there is a case for government finding ways to encourage consumers, especially those young and inexperienced drivers, to move up to the later model vehicles which are designed with contemporary safety systems. Also, there is a case for government finding ways to force drivers to undertake driver training and improve their skills on the road. Complementing this is the need for government to allocate funding to policing and other strategies to modify driver behaviour. Finally, government must allocate sufficient resources to the road infrastructure to ensure that the road systems remain of contemporary quality and support any emerging technologies which require infrastructure base to operate effectively.

Just summarising, I would like to reiterate that Mitsubishi Motors believes that further reduction of road trauma is possible but it needs continuing collaboration between industry, state and federal governments and the road users. The auto industry in general, and Mitsubishi Motors in particular, has already demonstrated its willingness to participate in this collaboration through its investment in research and development of new technologies and its ongoing engagement with regulators and other interested parties. However, moving forward sees increased challenges. The easy part of the equation has already been achieved with vehicle based technologically driven improvements making the major contribution. It is important that all parties recognise the contribution they may need to make in the coming years. So I would like to thank you for the opportunity to make the submission and I would be happy to answer any other questions that you may have.

Mr WELLER—When are the side airbags going to be standard in the 380?

Mr SANDERS—Side airbags are already standard in the 380.

Mr WELLER—They are?

Mr SANDERS—Yes. Incidentally, they were already standard in the previous model that the 380 replaced, so they were standard in the Magna Verada range. Side airbags were probably introduced, from memory, about 2002 into the large passenger car segment that we manufacture in Australia.

The CHAIR—ANCAP has recently launched a voluntary Stars on Cars program whereby they weight the car in terms of crashworthiness, they either rate a four star or five star, obviously with the intention of making that public for consumers.

Mr SANDERS—Yes.

The CHAIR—How do you think Mitsubishi would participate in that program, or would you participate in that program?

Mr SANDERS—We engage with ANCAP to a certain degree at the moment, so any time that ANCAP tests one of our vehicles they notify us before they test. We supply them with technical data to set the vehicle and set the dummies up, and we also provide an expert witness to go along to the test and make sure that the dummy set-up has been done correctly; to give any advice that they need to do before they actually test the vehicle, and that when they do release results then we are confident that they have taken the test correctly and to protocol. That said, ANCAP does not test every single vehicle that is released to the market so we do not see there is a playing field at all with the way that ANCAP does their business. They are in the process of changing their rating system. As of 2008 you will not be able to achieve a five-star rating on a vehicle that has not got ESC fitted. That is not going to bother us because we have ESC fitted across the board on new product, but they also require a pole test to be conducted for you to achieve a five-star rating but the top pole test must be at the manufacturer's cost. If the manufacturer does not choose to do a pole test then they cannot get a five-star result, even though we know that we have already developed the car to account for the requirements of the pole test. What we are saying is that to achieve a five-star result you have to pay for it and we do not believe in paying for stars.

The CHAIR—Well, at the moment there is a system whereby when you go to purchase certain electrical goods like washing machines and fridges, and consumers—because it is right there in front of you as you are purchasing it—can make decisions about whether they want energy efficient whitegoods.

Mr SANDERS—That is right, and it is mandatory.

The CHAIR—Eventually, obviously in America they are going down the path of mandatory star ratings on vehicles so that consumers are fully aware of what they are actually purchasing. I would suspect that any manufacturers that do not want to participate in that program, some would say it would appear that they might be hiding something. From that perspective—

Mr SANDERS—Not at all. That is certainly not the intention. What I am saying is that you can have two vehicles sitting on the same showroom floor, one has been rated in 2007 and one has been rated in 2008 with identical safety specifications, and one will be rated with four stars and one will be rated with five stars, simply because they have been rated at different times. That is possible and we do not think that we should be giving the consumer information that may confuse them as to the safety rating of the vehicle. If it was mandatory and every manufacturer had to provide the result and every manufacturer had to display the result on the windscreen or wherever then there is a level playing field and consumers truly have information they can rely on. What we are saying is, the way that ANCAP is introducing this at the moment is flawed because some vehicles will have no rating because they have not been tested; some vehicles will have a rating from 2007 because that is when they were tested; some vehicles will have a rating from 2008 which could be different because of the protocol change.

We believe in giving the consumer accurate and correct information, and the information should be applied

equally across all vehicles. We would support that if that was the case, but at the moment that is not the case with ANCAP.

Mr KOCH—Ashley, what do you see as the possible emerging safety technology beyond side airbags and stability control which you will have completed, we understand, in 2008? What would Mitsubishi see as the technology we should be moving towards beyond the fitting or the standardisation across the motor fleet of those two items? What particular area—

Mr SANDERS—Yes, all of our research and development is done in Japan at the moment and I do not have access to that research at the moment. From the work that I have done locally I would expect that adaptive cruise control and those sorts of technologies is the next frontier for road safety—vehicle guidance systems. But again, as I said before, at the moment those technologies are not mature enough to introduce to large volume manufacture and they rely on some other things happening before we could introduce them to Australia. As I said before there is a frequency issue with the radio frequency bandwidth. It would be one major contributor to that. Vehicle guidance systems and lane excursion technologies rely on the lines on the road being consistent and existent. In some cases the line on the left-hand side of the road does not exist in Australia. Lane markers are not consistent in Australia. Those sorts of things would be necessary before they could be introduced on a wholesale basis.

The CHAIR—Any further questions? Thank you very much.

Mr SANDERS—Thank you for the opportunity.

Witness withdrew.

Hearing suspended.