ROAD SAFETY COMMITTEE

Inquiry into vehicle safety

Melbourne — 4 February 2008

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Mr R. E. McArthur, chairman, technical committee, Australasian New Car Assessment Program.

The CHAIR — I welcome Mr McArthur 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 is further subject to the provisions of the Parliamentary Committees Act 2003 and, where applicable, to the provisions of reciprocal legislation in other Australian states and territories. Having said that, any comments you make outside the hearing may not be afforded such privilege.

As you can see, we are recording the evidence and will provide a proof version of the Hansard transcript at the earliest opportunity and you can correct it as appropriate.

Can you please state your name and the organisation you represent, then start with your submission. If it is okay with you, we will ask questions as we go.

Mr McARTHUR — I am Ross Edward McArthur. I am the ANCAP council chairman. ANCAP is the Australasian New Car Assessment Program and is based in Canberra. The commonwealth's national road safety strategy was introduced in 2001, and it aimed to bring down the fatality rate by 40 per cent by 2010, and that equated to some 700 deaths saved each year. The national road safety strategy claims that safer vehicles can save 175 of these lives each year. The question is: how much scope is there actually for improving vehicle safety?

The European Transport Safety Council stated that if all car owners purchased the safest car in their class — small, medium or largest — the road toll would be reduced by 40 to 50 per cent. That seems a lot to me and the question is: is a 40 to 50 per cent reduction in road trauma believable, just based on improved vehicle safety standards?

The European NCAP program told me that there was a 12 per cent reduction in injury risk per NCAP star rating. For each star you got a 12 per cent reduction in injury risk. Cars can have up to a 5–star rating, so that is a significant reduction in injury risk.

I have a graph which shows the reduction in the risk of injury in a crash in vehicles in Australia, and it shows that it drops from around 22.5 per cent to around 13 per cent between 1963 and 2005. Vehicle safety standards have improved over time, and we are continuing to see an improvement.

The electronic stability control (ESC) is an important road safety feature, as no doubt you have already heard — probably ad nauseam, I think — but it is an important point to make. MUARC (Monash University Accident Research Centre) released figures last year, and the data it released indicated that ESC can cut, in single vehicle crashes involving a driver injury, crashes by 28 per cent for ESC–equipped cars, 66 per cent for ESC–equipped four–wheel drives and sport utility vehicles, and 30 per cent across all vehicle types.

If you look at the evolution over time of vehicle safety, if you look at the reduction in risk of injury per star rating — and star ratings are improving in the fleet — and you look at technologies such as ESC, I think a predicted reduction of 40 to 50 per cent is achievable. As an issue to do with ANCAP, from 1 January 2008, for a car to achieve 5 stars under the ANCAP star rating system, it must have ESC fitted. I will talk more about that later.

I was going to show a video of a demonstration of ESC, which you have probably seen already, I would think, but, if not, we could come back to it.

Mr TREZISE — On what you said about getting a 5-star rating to get ESC, could a car get a 3 or, say, 4-star rating and have ESC?

Mr McARTHUR — It could do, yes, but to achieve the highest, a 5-star rating, from 1 January this year a car must have ESC fitted, regardless of what score it gets in a crash test. That was an important decision by ANCAP, and as the presentation goes on I will explain why I think it is so important.

On the advantages of consumer testing, in terms of vehicle safety standards and improvements of standards, consumer testing can play a big role for a couple of reasons. First of all, the public becomes informed and can make a rational decision about vehicle safety, so when they are selecting cars they have got some rational approach to take — why to select this one versus that one.

Consumer testing drives the market, so design changes occur very quickly, as opposed to very slowly under the regulated regime, which could take eight years to deliver a new safety standard by the time it is developed and implemented with the phasing.

Slow change of vehicle safety standards is a big problem, because new vehicles with poor performance — and they are being built now — will be driving around here for anything up to 20 years. They will continue to do that until they have a serious crash, whereupon they are written off and then taken out of the system. Vehicles of today are very durable, so it is very important to have decisions made quickly, because you wear the problem into the future for anything up to 20 years.

One of the advantages of consumer testing is that the manufacturers are not linked into a rigid regulatory framework — in other words, they can do it their way. Provided ESC, for example, has the right basic features and performances, you do not need to get into the deep and meaningful test requirements that you do in a regulated standard, so it gives the makers freedom to actually lift the bar quickly as opposed to working through a regulated approach, which constricts them to certain outcomes. As I said before, makers that have achieved better scores can expect higher sales, so it is a win-win situation.

In relation to regulations and Australian design rules — —

Mr KOCH — Ross, if this score is all about sales, where is the cost of product in all of this?

Mr McARTHUR — What I want to say to you is this: safety technologies that we score against are technologies that are available in the market now. They have been developed; the cost of development has been sunk already. What that means in a high-end version of a particular model, if ESC or curtain airbags are available, there is no reason they could not fit them to the base model vehicles. The development is done; the amount is sunk.

Mr KOCH — Yes; that is fine.

Mr McARTHUR — We do not see a great cost impost in this provided we look at technologies that are already in the marketplace.

Mr KOCH — It is getting that pendulum to move the right way?

Mr McARTHUR — Yes.

Mr KOCH — And the psychology of the buying public?

Mr McARTHUR — The psychology of the buying public is really about making them aware of the facts, and if you tell the truth long enough, people will believe it. It is a bit like global warming; there were doubters out there up until recently, but I do not think there are too many doubters out there now, because the information was provided for them in a clear fashion over a period of time. That is a key factor in ANCAP; it has been there all the time and been an important part of the vehicle-purchasing process. But people need to know about you, and that is why consumer testing and publicising the outcomes of that testing are so important. You have got to be there all the time, otherwise people will forget, or they will think about other things.

Mr KOCH — Yes, I accept all that in principle. It is just actually putting that on the ground.

Mr McARTHUR — I will show you how we have been putting it on the ground — and we have been successful, too. As you are probably aware, if you build a vehicle to the basic standards, you will probably achieve about a 1-star rating — a 1.3-star rating. BMW has said that out loud. It does not matter whether you are talking about European standards or Australian ADRs, you get about 1 star. The key factor is that we have yet to see a 5-star vehicle manufactured in Australia.

So where does ANCAP fit in? Well, we have the Australasian New Car Assessment Program, so we include New Zealand, and they play an important part. What is ANCAP? We are an independent consumer test organisation. We are a communications organisation that tells the stories related to the scores we get and star ratings we get, and we are an organisation that is evolving fast. We picked up on ESC early in the piece — years ago — and we have been promoting it with some effect.

ANCAP's mission is to provide consumers with information to create demand for the safest cars. Initially we were a cooperative committee of all the states and motoring clubs, not the commonwealth. We are now an incorporated body and a limited-liability company. We operate much like a normal company, with directors, budgets and so on. That helps us, because when we start operating more like a normal company it helps us with delivery, the liability insurance contracts and a whole range of things.

The structure of ANCAP is a board that directs the company from the top. There is an ANCAP council, of which I am a chair. We have a business manager, a technical manager and a communications manager — and a committee structure to look into things like strategies and communications. It is a traditional sort of structure. We have many members, and there is a table in my presentation that covers that. We have recently had a new member, which is Insurance Australia Group (IAG) — and about 20 members.

ANCAP receives $2 million in membership subscriptions each year — some 60 per cent from the state governments around Australia. The rest is from the Australia and New Zealand motoring clubs. The federal government is not a member. We have asked them, but at this stage they are not, although they have provided specific project funding from time to time. ANCAP needs further funding to increase its testing program, to purchase vehicles and improve our communications.

We are Australia's leading consumer advocate on vehicle safety issues. We work with government and the industry to improve vehicle safety. At a technical level we have quite a good relationship with the vehicle makers. At a public level it is not quite like that. What we do is conduct four tests on vehicles and publish the results: we do an off-set frontal test; we do a side-impact test with a moving barrier that is driven into the side of the car; we do a pole test; that is a voluntary test that manufacturers can take up to boost their score, or if it is a vehicle with a high floor — like a four-wheel drive or an SUV, where the moving barrier really does not provide useful results — we do a pole test on those vehicles as well; and we do a pedestrian test also, which is a head form that bounces on the front of a car in various places around the car and an upper and lower-leg form that hits the front of the car.

Mr TREZISE — Do you do roll-over tests?

Mr McARTHUR — No; it is a consideration, but we currently do not do that. There is a range of reasons we limit the types of tests we do. One of the reasons is that if you build too much into a system, it starts to get extremely complex and hard to demonstrate to people what you are trying to do and how the score is generated. Secondly, there is a cost factor as well.

Mr LEANE — If you are testing a car for the safety of the passenger and the driver, it might come out as a good result from your tests; is it variable when actually hitting a pedestrian? Is it a good result for the pedestrian as well, or is it a bad result?

Mr McARTHUR — We publish the results separately for pedestrians. When we are using crash tests we allocate up to 5 stars. When we are doing pedestrian tests we allocate up to 4 stars. Initially when we started pedestrian testing I think manufacturers basically were saying to us, 'Look, this is all impossible. You can't get a good score'. But in fact what we are finding now is a number of makers can achieve the maximum 4 stars — for example, Subaru and I think Citroen, from memory, can achieve the maximum 4 stars. So you can do it. The pedestrian test is particularly important in urban areas where you have got pedestrians mixing with vehicles, in shopping centres and so on. It is a little harder to market the pedestrian benefits, because most people are self-centred; that is just the human condition. But it is a very important test.

Mr TREZISE — Ross, getting back to the rollover tests, given that especially for, say, four-wheel drives a rollover is a significant crash event, is it a deficiency in the system that we do not do rollover tests?

Mr McARTHUR — What we would say is we would try to avoid the rollover in the first place by using ESC. But I think you would say there is an argument for considering doing a rollover test, and it has been raised a few times. But, as I said, there are issues with cost. Also, doing the test is one thing; it is having a dummy that gives you a useful readout for the test and then translating that to a score, and that is not an easy task. A dummy that is designed for rollover tests does not exist at this point in time, and they are quite complex things, so they would have to be developed.

Mr KOCH — So principally, Ross, it is a funding issue that you have not gone down this track?

Mr McARTHUR — No, half and half; funding and the technical issues.

Mr KOCH — If the funding was there, it would be further investigated?

Mr McARTHUR — Yes, I think so.

Mr KOCH — I think that is where we are.

Mr McARTHUR — Yes, we would look further at it.

Mr LANGDON — On the issue of the crash-test dummy, are they investigating one or currently creating one that could do that, or has it all been put in the too-hard basket?

Mr McARTHUR — As I said to you before, we use existing technology in terms of developing our scores and we use existing tests for developing our scores. At this stage we do not have an internationally recognised test for rollover or a dummy that is designed for that. A guy called Raph Grzebieta is working on developing those things, and he believes he has a useful rollover test. I do not know whether he has gone as far as saying he has got an accepted dummy design as yet.

One of the key factors in this is that you need to have a good link between the results you get from the dummy and actual injuries, and with the side-impact test dummy and the dummy we use in the frontal tests we have that. It has been around a while and has been researched by many people in Europe, America, Australia and Japan. We are satisfied with the results. To develop a whole new dummy is not a simple task. I am not saying it is impossible by any means, but there is a lot of work in it.

The CHAIR — Ross, just on that, I would imagine there would be a significant amount of accidents that involve rear-end collisions. Is ANCAP at the moment looking at rear-end collisions?

Mr McARTHUR — Yes. Both the Euro NCAP and the US NCAP are looking at head injury tests. It is largely related to the seat design, actually. Yes, that is on the agenda for consideration for the future.

The CHAIR — Crash test rear-end?

Mr McARTHUR — What the Europeans and Americans are doing is testing a seat in a rig outside the vehicle, and they see that as the best way to go. I do not believe people are looking at having barriers strike the rear of vehicles. I am not saying it is not happening, but at this stage my understanding is that they are looking at the seat and the seat geometry, and putting the seat on a sled and testing it that way.

Is ANCAP going away? The makers ask me this every now and again; and it is not. We have an Australasian NCAP; we have Euro NCAP; we have Japan NCAP; Korean NCAP is on the way; China NCAP; US NCAP exists; and Indian NCAP is in the process of being delivered. There is also the Insurance Institute for Highway Safety in America that does consumer testing and publishes the results. So the program is getting bigger, not smaller, and that is an important part of the process. We have regular meetings internationally now to talk about what the future holds.

I have a graph here of the percentage of cars scoring 4 or 5 stars. It shows from about 1996 it was something like 5 per cent, through to about 2005 it is up around — sorry, I will start again: the percentage of cars scoring 4 or 5 stars. It starts at around 10 per cent in 1996 through to getting to around 100 per cent in 2005. So what we are seeing is lots of 4-star cars and not as many 5-star cars as we would like. The 5-star cars are generally imported; the 4-star cars are often locally made. There are still 2-star cars being built.

Mr TREZISE — Can you say what is the major difference between a 4-star and a 5-star car?

Mr McARTHUR — Generally it is to do with the design of the restraint systems. What that means is that some of the restraint systems require work to be done in the frame of the vehicle, so it does mean that to get from a 4 to a 5-star sometimes you have to redesign the frame of the vehicle, which is like going to the new model. That is when they generally do it. So often the jumps from one star rating to the next come at around the time of a new model release. It is not that you can just sort of say, 'Look, we will start fitting this technology in this model', if they have not done the thinking years before.

In Europe around 80 per cent of any vehicles sold are 5-star vehicles. In Australia we estimate it is around 20 per cent. De-specifying — in other words, bringing vehicles into the country with less safety features than they have overseas — is still a problem. There is a graph here that shows that situation.

Mr TREZISE — Just in relation to that, Ross, how do we address that issue? I think that is an important issue.

Mr McARTHUR — It is.

Mr TREZISE — What steps should be taken to ensure that cars are not de-specified?

Mr McARTHUR — Our approach — and it works — is you publicise the fact, because no-one likes to think they are getting a second-string vehicle all the time. I will talk to you a little bit later about Volvo. Representatives from Volvo said some very interesting things about this. Actually, if you like, I will jump straight to that. There was a report in *GoAuto* by James Stanford about new crash test rating standards to push Volvo, a well-known vehicle in terms of safety, to fit stability control as standard. This new crash-test rating standard has the requirement for *ESC; otherwise you could not get 5 stars. It was to do with the Volvo C30. ESC is standard fit on all Volvo cars in Europe and most other regions:

> The president of Volvo cars overseas company, Peter Cornelis, told *GoAuto* that Australia was one of a few countries not to fit ESC across its range as standard because of cost issues.
>
> 'There are definitely markets in Africa and other areas where it is an option too —

what we find is we are being lumped in with Africa, and I do not know whether that is where we want to be —

> but there are not too many anymore', Mr Cornelis said.

Another representative of Volvo, Mr Desselss, said:

> 'ANCAP is an important one and it is important for us to get 5 stars, there is no doubt about it' …

So what Volvo did — we shone the light on it, and they changed their approach.

That is how you do it, and you can get a quick response, because Volvo have it already — as I said, it is existing technology. It is a cost matter; it is purely about cost. I am not saying Volvo is the same as every other car company in the world, but it is certainly indicative.

The CHAIR — Does that mean that ANCAP has a different approach to testing, which makes it a lot tougher to get the stars, as opposed to Europe? Or is it purely because of the fact that those safety features are taken out before they come onshore here?

Mr McARTHUR — We score exactly the same way as Europe, but we add them up differently. We put the barrier in requiring ESC to achieve five stars. I do not think the Europeans do that. Nonetheless, what was happening was that Volvo made a decision to bring in cars without this lifesaving technology and no-one really noticed until it became public, and that is the key factor. It is still — —

The CHAIR — So your testing is not as stringent or is it more stringent than what they do in America or elsewhere overseas? It is purely because of the fact that those safety features are taken out of the vehicle, therefore they do not rate much here; is that the only reason?

Mr McARTHUR — In terms of the ADRs, this ESC technology is not a requirement. So, yes, the consumer testing is leading the regulated standards in Australia — so it is tougher, yes.

The CHAIR — Just in relation to the testing that you do, does it take into account the possible age of the occupants of the vehicle? With the ever-growing older population of Australia compared with other parts of the world, we have our share of the older population, so in some of the collisions in the testing that you do, do you take their fragility into account?

Mr McARTHUR — We do. The dummies we use are standard dummies that are used around the world, and they are based on sort of an average person. What people are saying to us is that with an ageing population that may not be as good as it could be or as appropriate as it needs to be. They are the only dummies we have available. What we find with ANCAP is that the injury criteria we get from the tests on a vehicle that has very good scores are much, much lower than the regulated limits. So I would argue that, even though we use a standard dummy for the average person.

Mr KOCH — What is the definition for your standard person? Is it a middle-aged male, female? Where do the criteria sit on this? I think John makes a valid point. It is something that we have zeroed in on a little bit, knowing full well that our population is actually getting there, and a lot of those people now are doing a lot more

travelling than historically they have before, and in many cases they are dragging caravans or some other thing, so it is a completely different dynamic.

Mr McARTHUR — It is a person of average age, average height and average mass.

Mr LANGDON — We were just speculating in this corner about whether any of us in this room fit it.

Mr McARTHUR — Some would and some would not. There are probably two questions there. When you started your discussion, I was wondering whether you were talking about older vehicles as well as newer vehicles, as opposed to older people as well as younger people. Used car safety ratings show that overall vehicles with a good ANCAP score perform well in actual crashes on the road. Actual crashes on the road have drivers of all age groups, size — the full range of people who can drive vehicles are in those tests. So we would say, yes, there is an ageing population, but we are still getting good results and everybody benefits from that.

Mr KOCH — I would say that was a very broadbrush comment. I mean, we know that older people are more fragile; they do not repair as well, and those types of things, so the average dummy really is the base.

Mr McARTHUR — I will give you an example. Chest compression is one of the criteria that NCAP uses. I cannot remember the exact figure, but I think it is 50 millimetres. In a crash with a seatbelt across the front, an the airbag and so on, you should not get more than — I can confirm this figure, if you like — 50 millimetres chest compression. What people are saying is that a healthy person can withstand more than 50 millimetres chest compression, but my feeling is that an older driver would not be able to. Therefore that 50 millimetres is in there, and that is the reason it is there. I guess what we would say is that the results that we use in the ANCAP tests are conservative and build in a bit of leeway for the range of ages of people who are in the car.

Mr WELLER — Ross, you said earlier that if we were to get ESC onto four-wheel drives and sports utility vehicles in that category of vehicles we could reduce the road toll by, I think it was 66 per cent or something like that, as compared to 28 or something in the normal run of vehicles. When we have had the manufacturers in here and they have run through their proposals for fitting ESC to vehicles, we were told the utilities and four-wheel drives are not on their list to be fitted, or not in the immediate future, because they believe that ESC has to be programmed for different surfaces and that utility vehicles and four-wheel drives run over a lot of different surfaces. How does ANCAP propose to cover that?

Mr McARTHUR — As I have said, all we have said is that to get 5 stars a vehicle must be fitted with this technology. The figures we quoted came from Monash University, and they have come from actual crashes, wherever they are. I have it — I got it off the internet this morning, and I am happy to table it here. What they have said is that the proof is in the tasting of the pudding. What they are saying is:

> The study found a reduction in the risk of single-vehicle crashes of:
>
> 25 per cent for ESC-equipped cars;
>
> 51 per cent for ESC-equipped 4WD/SUVs; —

I do not know whether that includes the normal utility that we are all familiar with; I think it does —

> and
>
> 28 per cent across all vehicle types.

Mr WELLER — I suppose the point is that the manufacturers are saying that you have to have ESC with different settings for different surfaces, so how do we get it for the four-wheel drives and the utilities that are going to be travelling on all sorts?

Mr McARTHUR — I participated in some demonstrations of ESC on a sports utility vehicle a couple of years ago, and what we found was that because we do not have a lot of snow and ice in Melbourne we tested it on gravel and it performed extremely well. I think when we are talking about these issues we need to be careful not to be confused. The ESC works extremely well in gravel conditions. It is one of the best places to find out how well it works without actually rolling the car over somewhere. It works well in all driving conditions.

Mr WELLS — So the manufacturers are selling us a pup?

Mr McARTHUR — I think maybe they have misunderstood the question. That would be what I would say. My experience is that it works well in the gravel. I think if we are talking about off-road use, that is the sort of thing you find.

Mr WELLS — Yes, gravel surfaces.

Mr McARTHUR — One of the things I will say about the market is that it does take quite a bit of work to get that system tuned properly. I agree with that. You do have to tune it for various road types and situations. I think maybe that is where the confusion or misunderstanding is streaking in. You cannot just bolt it on a vehicle that they have never researched.

The CHAIR — So are there any vehicles that have achieved the 5-star rating that has the ESC?

Mr McARTHUR — We changed the requirements as at 1 January, so at this point in time we have not tested any 5-star vehicles. I cannot really answer that question at this instant.

The CHAIR — And what about the lowest star rating recorded by a car fitted with ESC?

Mr McARTHUR — I do not know the answer to that question.

Mr WELLS — Ross, you mentioned earlier the best way to get them to adopt it was to basically shame them, and that worked with Volvo. What activities and campaigns have ANCAP got planned to highlight the cars that have got 5-star ratings?

Mr McARTHUR — We generally do two major launches per year with brochures, and we do up to six other immediate launches concerning the results that we get from our testing. So we do that every year. It is part of an ongoing process where we are trying to step up our communications and publicity campaign, and we are putting more money into it than we did. But, yes, we regularly do releases, or launches, in the media. And we get quite good coverage.

I did not bring the data with me, but we get reported on television, on more than one TV station generally when we do it, and in more than one newspaper around Australia. The ANCAP webpage lists our launches each year, and I think there has been a total of about eight a year. You could confirm that.

Mr LANGDON — Do you believe advertising would help you and get that message across?

Mr McARTHUR — Absolutely. We think that if there is anything we need to do more, it is advertising and communication.

Mr LANGDON — What is your advertising budget?

Mr McARTHUR — I would have to confirm it. I think it is $150 000. Let me confirm that.

Mr LANGDON — That will not go far.

Mr McARTHUR — Yes, that is right.

The CHAIR — Just on the ANCAP's Stars on Cars initiative, what has been the response from the manufacturing public?

Mr McARTHUR — The Stars on Cars? One of the programs we started towards the end of last year was Stars on Cars. We have had some successes with Subaru, and we are working on the other makers. It is part of our ongoing program. We are working with other makers, and we think we will get some more results in the new year.

Mr LANGDON — When you say 'the new year' do you mean next year?

Mr McARTHUR — Sorry, the early part of this year.

Mr KOCH — When you say you think you will have some success there, how many more manufacturers do you think you will bring into the tent with Subaru in that period of time? Could you qualify that a bit?

Mr McARTHUR — At this stage I would say a couple, but I could not make any promises or guarantees about that. We are getting quite good results, but we think we need to do more work in that area.

The CHAIR — Do you think you would get more results or companies, manufacturers, wanting to participate if the public demanded it? Is the message getting out to the public — that is, the consumers who make the decisions before they purchase the vehicles? And if they say, 'We want to see what star rating this vehicle has before we purchase this vehicle' do you think that that may have an impact on manufacturers to cooperate?

Mr McARTHUR — Absolutely.

The CHAIR — How does that happen?

Mr McARTHUR — We publicise it. Other organisations, such as VicRoads, the RTA of New South Wales, and road authorities around Australia and New Zealand do that as well. TAC does it here in Victoria. It is part of an ongoing marketing campaign around Australia, but the question is: do we do more? The answer is we need to. If the community wants to know what a vehicle's star rating is, the manufacturers will I think do something about putting star ratings on their vehicles. If it helps you with a sale, why would you not do it? And the beauty of the ANCAP process is that the people who perform best should end up with better sales. It is a win-win case.

Mr KOCH — In the knowledge of the fleet ownership in the country I think one of the areas that ANCAP has to do a lot of work on is convincing the managers of those operations of the necessity of what you are proposing to do. How far down the track have you gone with the success in that area? There is a huge expense for larger fleets in relation to some of these cost factors, and obviously they buckle under the pressure of it. They have either got to extend the ownership of the vehicle or modify other areas of their buying plans. And I would have thought that was of vital interest to ANCAP, probably more so than the buying community as such?

Mr McARTHUR — One of the key factors is that fleet vehicles make up the vast majority of new vehicle sales. Yes, there is a focus on fleet vehicles. ANCAP regularly briefs fleet operators both in Australia and New Zealand as part of our communications packages. Towards the end of 2007 we did a Subaru fleet day up at the RTA crash lab in New South Wales, and that was very successful, and we are going to keep doing that and doing it more often than we have been doing.

Yes, fleet buyers are a focus for two reasons. Firstly, they buy most of the cars, but, secondly, we believe they are more susceptible to the message than the general community. The community is often swayed by all sorts of things other than the safety of the vehicle and liability issues. Fleet operators are not swayed so much by how it looks and how good the stereo is; they are swayed by costs and liability matters.

Mr KOCH — I appreciate what has happened with Subaru, but I personally believe it is a minor player in the whole game, and fleet sales tell us that without even thinking about it. What work is ANCAP endeavouring in the next 12 months, for instance, to encourage fleet managers in relation to the bigger sales strength of locally built manufactures principally, because I see Holden, Ford, Toyota and Mitsubishi making up a very large part of fleet ownership. I hear what you are saying about Subaru, but it is really a minor player in fleet sales across the board. Where is ANCAP going with it?

Mr McARTHUR — As I said to you earlier, we have a focus on fleets. We regularly brief fleet operators; we will continue to do that. We need to step up in that area, but there are limits to our resources. But it is a focus, and it is focus that we believe we need to concentrate on. Once again the fleet purchasers respond to things that they see in the media as well.

Beyond just simply speaking to them, advising them about what we think and the importance of these things, I think one of the key factors is that we have got to get the message out consistently to everybody. It has got to be an organic message that is there all the time as opposed to a few times a year when we issue a new brochure. We are getting good results for the launches we do, but, as I said, it needs to be an ongoing thing.

Overheads shown.

Mr McARTHUR — This is the stuff from Volvo that I mentioned to you earlier. And that is what he said to *GoAuto*.

This was the Holden Barina — and I think this fits in with what you have been saying and what I have been saying. The Holden Barina got a poor result. It went from a 4-star to a 2-star vehicle between 05–06. People said, 'Remove the car from sale,' and sales fell. But is the task finished? What you see is around this time the similar vehicle got a bad result in Europe as well. Around this time we were doing our publicity and there was a dip. Here the media was coming to us and saying, 'What results were you getting for the Barina?'. But you notice it crept back up. We did well here, but we need to do more right through the year. It is important for the process to be consistent and ongoing. That is the key message. We cannot afford to count our chickens before they hatch.

We have a lot of strengths. We are independent. I think we are considered honest, and people trust us, if they know what we are on about. We use hard-hitting, memorable material. This is part of an advertising campaign we ran in the later part of last year and we are going to continue running this year. This is part of the Stars on Cars program.

The CHAIR — So America has gone down the path of making it mandatory. How would that go for Australia?

Mr McARTHUR — You would have to speak to the commonwealth government about that, but I think there is quite a deal of interest in getting an ESC standard quickly implemented in Australia. Whether it will be as quick as the Americans, I could not say. You would have to ask the department of transport and regional services.

The CHAIR — Can ANCAP cope with a mandatory process?

Mr McARTHUR — Yes, we can. In fact the offset frontal test is effectively the mandatory offset frontal test, only we do it at a higher speed because we believe it is more representative of an actual crash.

The CHAIR — So then you would need to test the rollover; you would need to crash test the rear-end collisions. There is a lot of work that obviously needs to be done. If it went down the path of making it mandatory, I ask again: can you take the task on and rate them properly? Because at the end of that process, it could very well be that somebody purchases a vehicle that says 5-stars on it, and it ends up it may not be necessarily, because it has not been rear-end crash tested, it has not been tested for rollover, and somebody is killed or seriously injured, and they go down the path of litigation — —

Mr McARTHUR — What I would say is that we are a body that is evolving quickly. We changed our pole test recently — in the last couple of years — when we found that the moving barrier test was not successful with high-floor vehicles like four-wheel drives. We have set the bar higher by saying that to get 5 stars you have to have ESC.

Our research program includes things like brake tests, whiplash tests and consideration of the rollover test. We will evolve. One of the key factors in this is that you have got to keep moving the bar, year by year. We believe we can do that. Once something becomes standard across the fleet, we need to move on to the next thing.

That is one of the key things that are worrying the Americans at the moment: what is the next step? What we think is that we in Australia are more nimble and better organised, so we can move forward. The idea is, yes, you do change the way you look at things, time by time, to make sure that you move the bar up continuously.

Mr TREZISE — Just in relation to that then, Ross, if you are talking about moving forward, what are the technologies that are around that need to be introduced into Australian vehicles over the next 5 to 10 years that we have not seen as yet?

Mr McARTHUR — There are a whole range of them. There are things like lane-keeping, so you do not run off the road. There are things like intelligent speed adaptation, so people maintain the speed limit a bit better. The really important one on the block which people are talking about at the moment is brake-assist or emergency braking, where the vehicle sees something in front and slows and stops. There was a crash on the on-ramp on the freeway recently. I do not know quite what happened, but certainly a truck ran hard into the back of what looks like a slow-moving or stationary item. That is a very important technology. I think those technologies are the ones most likely to crop up in cars in the next few years. You are seeing it in some cars now. What we would like to see is this technology filter down to other cars also. They are the key technologies.

Things like curtain airbags we know about. We would like to see more of them as part of our score to say they are promoted and fitted. Things like ESC: we know about it, we want to move forward and make sure all cars have it. In a sense, while they are new technologies, we have factored that into the system and we are moving forward.

Mr LANGDON — Ross, you were talking about tests earlier. The Canadians have demonstrated through their injury readings that there are more injuries at lower speeds. What is your position on doing variable speed tests with crash dummies?

Mr McARTHUR — At this point in time we have got a commitment using the same tests that the European NCAP uses. For the foreseeable future I think we would do that. If you are saying, 'Would it be a good idea to build a bit of uncertainty into the tests to keep the makers on their toes?', that has been said, but not by us.

Mr LANGDON — Why have the Canadians done it?

Mr McARTHUR — As with most road safety organisations, we are all trying to evolve and move forward, and that is one of the approaches they use. At this stage we are committed. You cannot afford to spread yourself too thin. We like to focus on key issues and then deal with them.

The CHAIR — Obviously you have raised issues of funding. How do you think you can get more funding so you can make your work more public, so the public can know more about your work?

Mr McARTHUR — We are signing up new members. We have signed up IAG, Insurance Australia Group, as a new member just recently. We would certainly like the commonwealth to contribute more.

Mr KOCH — More or just some?

Mr McARTHUR — Some. We are looking to gather another $2 million to $3 million to do what we want to do.

Mr KOCH — I support your thoughts, Ross. I think with a $2 million budget you are so limited in what you can actually undertake to be effective. There needs to be a big increase in your operating budget to meet some of the expectations that we as a committee would see as being very worthwhile in promoting safety across our vehicle fleet.

Mr McARTHUR — It is very important. When you think about it, depending on how you add up the money, the value of a human life, when you are doing cost-benefit analysis, is something around $1.5 million. Some people in other parts of the world use a figure of nearer $5 million. You do not have to save too many lives to make a program like ANCAP very cost beneficial — just two or three or four lives. I think we easily achieve that.

The CHAIR — I am conscious of the time. If you would just like to wrap up.

Mr McARTHUR — I think we have covered it. I think we will stop there. Thank you for the opportunity to participate today.

The CHAIR — Thank you for being here. Thank you very much for your participation.

Witness withdrew.