ROAD SAFETY COMMITTEE

Inquiry into vehicle safety

Melbourne — 4 February 2008

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Mr A. McKellar, chief executive, Federal Chamber of Automotive Industries.

The CHAIR — Welcome to the public hearing 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. We are recording the evidence and will provide you a proof version of the transcript at the earliest opportunity so that you can correct it as appropriate. If you would like to start your submission and, if it is okay, we will ask questions through the submission.

Mr McKELLAR — Absolutely. Thank you, Chair, and I am very pleased to appear before the committee on behalf of the Federal Chamber of Automotive Industries, representing vehicle manufacturers and importers in the Australian market. My name is Andrew McKellar, the chief executive of the Federal Chamber of Automotive Industries.

Last year the FCAI was pleased to make a written submission to this inquiry, and I am hopeful that today provides an opportunity to reinforce some of the central points that were raised in that submission and also to clarify any questions that the committee may have.

In addressing the comments to the committee, perhaps if I could begin by outlining some of the key characteristics of the Australian vehicle market, which is indeed one of the most open and competitive markets anywhere, really, in the developed world. In fact we have more brands and more models in the Australian market than many other, much larger markets around the world and certainly even more brands in the Australian market then in the US market, the largest market in the world.

Another feature of the Australian market, as I say, is its openness. We currently have around 80 per cent import penetration in the Australian market, and total sales have grown very strongly over the past decade. Last year for the first time ever total vehicle sales exceeded 1 million units in a country of 21 million people; a very high rate of purchasing by any standard.

I think the upshot of those two figures is that in fact in terms of what vehicle buyers and in terms of what motorists have access to, they have access to a vast choice in terms of the latest technology and the latest models, and there is a constant turnover in the selection that is available to consumers. In terms of acknowledging the very significant importance of vehicle design, it is a factor underpinning road safety and obviously the issue that is central to this current inquiry.

What we can say is that the Australian vehicle market, I think, is very well served in terms of its openness, in terms of what is available and what is coming through into the market on a continuous basis for a number of model launches, and I think also the progress that is achieved in terms of bringing state-of-the-art technologies into the Australian market on a very contemporary basis.

In our submission we talked about the causes of road trauma, and I think the points there are well recorded. Equally we talked about the efforts in reducing road trauma, and I think it is important to ensure that there is a strong cooperative effort by all key stakeholders, including government, in terms of its regulatory role not only in setting vehicle design standards but obviously in terms of maintenance of the road network and the road system, and equally in terms of ensuring appropriate standards for driver training.

Over, I guess, a number of years now, Australia has, I think, demonstrated on a number of occasions a capacity to innovate in terms of road safety and to encourage stronger innovation in terms of road safety. It is well documented that Australia was the first country to introduce mandatory fitment of seatbelts; equally in terms of child safety and child restraints we have led the world, I think, in some of the innovations there; and in terms of regulation of frontal and side-impact airbags we have also played a leading role.

I think it is important to acknowledge that in recent years we have seen a strong national approach to the coordination of those vehicle standards, and equally I think just as importantly we have seen great strides in terms of our efforts to ensure that we are adopting the leading international standards. Australia's involvement now through the UNECE in working party 29 as a signatory to the so-called 1958 agreement, I think, has been an important step forward, and equally the industry very much encourages the Australian government to become a signatory to the 1998 agreement, which will see a range of new global technical regulations being developed over coming years. We would encourage the Australian government to become a signatory to that agreement as soon as possible, and I believe that the steps are well in process to achieve that.

Our submission talked about a number of issues in relation to vehicle safety features or vehicle countermeasures, as they were referred to in the submission. We talked about the role of active safety and passive safety, and in particular — and I think it is quite relevant to the terms of reference that the committee has — we identified a number of discrete safety technologies which I think are very important in the current time, including traction control and electronic stability control, of course, which is a step further progressed in terms of its level of complexity than traction control, and we are now seeing that being widely taken up in terms of what is available in the Australian marketplace. I can perhaps come back to that in a little bit more detail shortly.

Additional technologies which are yet, I think, to develop a widespread presence in the market are nonetheless certainly there. They are available, and they will increasingly become available, I think, over future years — that is, technologies such as adaptive cruise control and perhaps, further down the track, things like automatic vehicle guidance and so on. Those are quite advanced technologies. They require a lot of supporting infrastructure and a spectrum and so on to operate in terms of the radar frequencies and so on, but I think nonetheless it is within the committee's terms of reference to look at those sorts of future technologies, how they might come into the marketplace and the impact that they might have. I think that is important.

Passive safety cannot be overlooked, and I think much of the focus of an enormous investment by the automotive industry around the world is in developing technologies that not only, in the active sense, seek to prevent a crash situation from occurring — and stability control is a good example of that — but also, in terms of passive safety, technologies which aim to achieve a range of objectives but which are fundamentally aimed at protecting the occupants of the vehicle and affording them the maximum protection in the circumstance where all else has failed and a crash event does occur. Obviously that is not a situation that is ever intended to occur, but obviously we need to plan and ensure that vehicle occupants have the maximum possible protection that we can provide. I think it is important to look at some of the key safety features and systems that are being developed in order to promote that outcome.

I think one of the issues there is that, despite all the resources that are expended on those technologies around the world, there are still at this stage no uniform crash-test regulations that are adopted by all governments worldwide. I think there are strong efforts to move in that direction, but we still have a situation where, particularly in leading markets like the US and Europe, there are very different side-impact regulations using different test procedures, different test dummies and even different injury criteria. I think in terms of our efforts as a global industry to promote greater safety outcomes what we have to continue to reinforce — and the Australian government, I think, can play a role in this — is that we need to move towards a more consistent approach to this around the world, and that includes leading economies like the United States, Japan and those in Europe, and Australia has a role to play in that, obviously.

I mentioned stability control a moment ago, and I think much has been made both domestically and internationally about the road safety benefits of electronic stability control in potentially reducing road trauma, and certainly the industry for its part acknowledges that there is very strong potential for ESC to reduce crash injuries and fatalities. I think in particular what the data would show is that its strongest benefits are in terms of reducing the risk of single-vehicle crash events. It has, perhaps, a less definitive record in terms of the protection it can offer in multiple vehicle situations, but certainly in terms of being able to reduce the risk of a single-vehicle rollover or a similar crash situation in terms of the driver being able to maintain more effective control of the vehicle and restore the vehicle to its intended path, that is an important feature of stability control which needs to be acknowledged.

The CHAIR — Just on that, Andrew, I am glad that the industry acknowledges how important ESC is. On that basis, currently some manufacturers through dealerships bundle the ESC with luxury options, which makes it a bit unaffordable to have the ESC fitted.

Mr McKELLAR — Sure.

The CHAIR — And there are also some claims being made that certain despecifications occur to vehicles coming onshore here whereby the ESC is actually switched off. Is that occurring?

Mr McKELLAR — Not to my knowledge, I have got to say. I have seen those claims and I have seen those reports, and I must say I am not aware of any instance. The committee may have sought evidence on this fact, and it may have received evidence on that issue, but I am not aware of any instance where a manufacturer has bundled options to the point where you cannot obtain a safety feature, I guess, discretely or as a single item.

Sometimes it may be offered in that way, but as I sought to emphasise in my opening comments, the Australian market is an intensely competitive market and it is a very open market, and my advice is that when people are looking for a particular vehicle in a particular segment, in fact there are a very wide range of competitive choices available to them and at very affordable prices.

I think if you look at the vehicle affordability data in the Australian market in terms of what you get for specification here in Australia versus what you get in other markets — in Europe, for example — you can get very affordable levels of good specification. I think the choice is there. In almost every segment within the market, if you want a particular feature such as stability control or side-curtain airbags — and from my own purchasing experience, certainly, in looking to buy a family car, we have gone out and looked for those sorts of features — you can find them at very affordable prices and not bundled with other options, including luxury options, entertainment packages or whatever it might be. I have seen those reports.

The CHAIR — I went to a dealer a few weeks ago. I am investigating what vehicle to purchase — obviously it is going to be a Ford, but I am investigating other safety features of the vehicle. It was a Holden, and it was actually bundled in with leather seats and side-curtain airbags. So it does happen.

Mr McKELLAR — And indeed in some cases it may be with a particular variant of a given model, so it may be priced in above a base model. The fact is across various ranges some manufacturers offer particular features as standard. Others will have a range of different variants with different features, so if you are looking for a particular feature and you are looking for it as a standard feature, then it is available in the marketplace, and I think that is a reflection of the competitive nature of the industry that we have.

I think a number of those brands and manufacturers would point to the fact that they have taken the initiative in bringing those technologies forward as standard features, for example the VE commodore. I think due credit should be given to companies like GM Holden for what they have offered in that regard. It puts, I think, competitive pressure across the marketplace for others to respond. Frankly I think we are seeing a very strong response in that regard. Their own figures, their own assessment in terms of what is occurring in the uptake of stability control shows that we are very much on a par or ahead of many of the leading markets, and certainly the USA in that regard.

We now sit at a level, as of late last year, where over 48 per cent of sales of all passenger and SUV vehicles had ESC fitted. That was over 60 per cent in terms of SUVs. There are segments within the market where there are lower rates of take-up, but they tend to be at the smaller end of the scale rather than in terms of, particularly, larger passenger vehicles or sports utility vehicles, which have the higher centre of gravity, and hence the safety benefits when you get into those types of vehicles for having that particular sort of technology are magnified, and I think that is an important point to acknowledge.

Mr WELLER — Can you just clarify that — are you saying 48 per cent of new vehicles in Australia have ESC fitted to them?

Mr McKELLAR — Passenger and SUV, that is correct, which are the primary targets for ESC because those are the segments in which — —

Mr WELLER — Where would we get the figures that verify that?

Mr McKELLAR — What we do is a survey of our members across all model segments, and we publish that on our website. It shows a breakdown of which brands, and which models, from memory, have ESC as standard or optional, and we publish the take-up rates of those accordingly. I have heard comparative figures that have been produced by some other agencies — which may have been on a state basis — where they have included other ranges of vehicles, for example NA category vehicles, and in fact even larger light commercial vehicles, where the take-up rate would be lower.

As you would expect, it would be lower, because those vehicles are transporting goods on a commercial basis, often around suburban areas, and frankly in terms of priority and in terms of crash risk they are a lower priority. Of course economically it makes more sense to invest the technology where it does the greatest good, and that is transporting passengers in passenger vehicles and sports utility vehicles. That is why you see the higher take-up rates. But certainly for SUVs the rate is over 60 per cent.

Mr WELLER — Have you got a breakdown — you are saying passenger vehicles and SUVs — state by state?

Mr McKELLAR — I think we have done our survey on a national basis.

Mr WELLER — Because that figure is a lot higher than the one I have been given for Victoria.

Mr McKELLAR — I understand. As I say, I think the figure that most likely you have been advised of would include light commercial vehicles up to 4.5 tonnes, which would be quite a high threshold.

Mr WELLER — If we compare apples with apples, and your chamber is committed to ESC and the uptake of it, why are we lagging behind Europe?

Mr McKELLAR — I do not think we are. Across Europe let's say there is a very wide disparity if you go from market to market. In some markets, particularly in northern Europe where you have a lot of snow and ice conditions, where quite frankly the greatest benefit is, ESC take-up is quite high. In countries like Germany, for example, it is also high, and equally they have a range of snow and ice conditions on the road at certain times of the year.

In other economies — Italy, the UK and so on — it is at much lower levels, and I think the levels that I last saw reported were below our levels. I think in terms of the disparity that you see across Europe, where rates tend to range — on the last reports that I saw, from around 30 per cent up to as high as 90 per cent — clearly there is a huge disparity. So I think it would be misleading to say that there is a single European market or a single European picture. I think that is an important point that needs to be acknowledged.

The CHAIR — We would agree with you there. Obviously China's uptake would be much lower and Japan's would be much lower, because clearly there is traffic congestion there, and it is only very rarely that they would get over 100 kilometres an hour. So you would find that some of the countries that are very populated, that have a huge traffic congestion issue, would make use of other safety technologies but in relation to countries with demographics such as ours, obviously the ESC is a lot more effective.

Mr McKELLAR — And we acknowledge the benefits. We certainly believe that there should be strong efforts to encourage awareness amongst the motoring public about those benefits and that it should be a consideration that people have in purchasing a new car. We seek, as a chamber and as an industry, to highlight the growth in the popularity of that technology and the advantages that it brings.

I think all of those things are very important, and perhaps in the comments that we might come to as we go through the discussion momentarily, one of the things I want to emphasise is the strength of our national system — in terms of regulation and vehicle standards, our linkages in terms of harmonisation with the international regulations, and I think some of the moves that are afoot there in terms of developing international standards for the fitment of ESC, and I think that is something that we will see being a relevant consideration here in the Australian market in the very proximate future. I am not sure whether I addressed all of the parts of your question.

The CHAIR — Sure. That has been helpful.

Mr McKELLAR — I think we started to cover some of those issues but I think there were two parts to what you asked.

The CHAIR — That is all right. If you just go through your presentation, that will be fine.

Mr McKELLAR — Okay. We have covered some of the stuff on stability control. What I was about to say is that in terms of regulation of ESC, what we have seen in the US in recent times of course, as the committee would be well aware, is the development of a federal motor vehicle safety standard — FMVSS 126 — which has set out phasing the arrangements for the uptake of ESC in that country. As I think I have indicated in my comments, it is our understanding on the basis of what we have seen in terms of the uptake in Australia, that we are in fact ahead of the schedule that they have put forward, but it is important to note that the USA has put forward a proposal for the development of a global technical regulation, through the UNECE, through working party 29. There is I think quite good consensus across the contracting parties around the world that such a GTR, as it is referred to, should be put in place.

As I said before, we as an industry are encouraging the Australian government to join the 1998 agreement. If Australia does become a signatory to that agreement and if that GTR comes into place, and I expect that it will come into place later this year, then the Australian government, as a potential signatory to that agreement — and we would hope to have that process finalised as soon as possible through the course of this year — would be bound to apply its own rule-making processes to that particular global technical regulation. So that is to say the Australian government would have to make an assessment as to whether or not the introduction of such a regulation was warranted in Australia, and I think that is a process that we would welcome the government going through.

I do not think we should pre-determine the outcome of that, but clearly there is strong global momentum for such a regulation. In all likelihood, it is a situation that the Australian government will need to look at as we go through the course of this year.

In closing off my formal comments at this stage, I think the crucial point with that would be to reinforce what I see as the absolutely critical role of having a nationally coordinated approach to the development of vehicle standards and standards for vehicle design. Since the early 1970s, industry has supported a coordinated national approach to regulation of vehicle standards. Over that period we have had the Australian design rules in place. Since 1989 those have been underpinned by federal legislation by the Motor Vehicles Standards Act. I think that is a very crucial piece of legislation, and we must ensure that its effectiveness is maintained.

In recent years, as I say, Australia has joined the 1958 agreement. I think that has been a very positive step in helping to provide the momentum for an alignment, a process of harmonisation, between the overwhelming majority of ADRs with those leading international standards. I think that has been a very successful outcome. As I say, we stand ready now to sign the 1998 agreement. I think that is another step in the right direction. So I think really we do have to encourage those processes to continue. I think it is certainly welcome by the industry to see that occurring.

There is always the scope to look at what innovative approaches can be developed within Australia. Australia, as a party in that global forum, should always seek to take the leading role. I do not think for a second Australia should step back from that, nor should Australian governments cede their responsibility to continue to encourage the development of new ideas which promote safety. But I stress that future developments have to be coordinated on a national basis.

The industry does not design and specify vehicles for individual regional markets. We do not design and specify vehicles for Victoria alone and then import something different to Tasmania or to New South Wales or to Queensland because there might be slightly different demographics in any of those markets.

In terms of ensuring that the Australian industry continues to facilitate an open and competitive market and that manufacturers, wherever they are in the world, can come to the Australian market essentially knowing that they have undertaken their product development, they conform to those leading standards, they have undertaken their testing and they are able to put in place those advanced technologies and bring them to the Australian market without having to jump through another set of hoops, which increase their costs or which restrict their access to a particular market here. I think that is absolutely critical.

Equally you can imagine the situation that would occur if a major automotive manufacturing country, whether it be Japan or the United states, or Australian vehicle exporters were contemplating the situation where in China or in Japan governments said they were going to have different sets of rules for Guangzhou or for the Kyoto prefecture or whatever it might be. The outcry would be, I think, rightly significant.

We would have our own trade ministers and representatives in the WTO and other international forums going forward saying that this is some sort of non-tariff barrier restriction on trade designed to prevent competition in those markets. I think that is one of the reasons that we do need to stick to the very strongly national approach.

On that note I conclude my comments. Certainly if the committee has any other questions, I would be more than happy to try and assist by responding to those.

Mr WELLER — You spoke before about your organisation encouraging consumers to take up these safety things. What sort of programs have you got?

Mr McKELLAR — I think, as I say, one of the things we are seeking to promote is awareness of what is available in the marketplace. We are putting that information on our website. I think if you look at other models around the world, there are indeed other initiatives that are perhaps in train and that can be contemplated. If you look in Europe, our counterparts in Europe promote a 'Choose ESC' campaign.

That is something that, whilst it has not reached that level in the Australian context yet, is certainly something that I think can be contemplated. It would require agreement across all brands in the marketplace to support such a campaign. It is something that I think is on the board to be contemplated. We want to work with governments around Australia — the Australian government and state and territory governments — to see what steps can be put in place to encourage a greater awareness of the benefits of those technologies.

The chamber itself has taken a proactive approach to supporting advances in road safety. Our organisation, as you are aware, has put forward $1 million of its own money to support a driver training trial, cooperatively involving the Victorian government, the New South Wales government and the federal government. While I think we are still some way from seeing concrete results from that, our view was that that was the right thing to do. It was stepping away from a purely narrow focus on just getting vehicles into the market and selling as many as possible.

What it was, I think, was an acknowledgement that there is a role that industry can play constructively in working with governments to promote enhanced safety outcomes. That is one example. That is not ESC specifically, but there are things that we can be looking to do beyond promoting our current information about the uptake to perhaps see how we can more effectively amplify that message. Certainly around my board table it is a message that is strongly endorsed, for which I think there is very good support across the industry.

The CHAIR — The point of sale is obviously very important. The people who actually sell the vehicles play a large part in what sells out there. Are they trained in any way to encourage people to purchase cars with safety features on them?

Mr McKELLAR — It is not an area I could claim any particular expertise in in terms of the precise training that is afforded to people at the point of sale at the retail level or their techniques in terms of marketing particular features to individual customers. My experience in that regard tends to come more as a customer than from the industry standpoint.

I would imagine that it is a competitive marketplace. There is probably room for improvement, based on personal experience. What I would say is that it is a very competitive marketplace, and I think there is strong value in motorists being aware that, if you do not think you are getting the features that you want at the first dealership that you go to, there are many other alternatives.

Almost anywhere within the market you will get the sorts of features you are looking for. I think that is a reflection of the selection of brands that we have in the marketplace and the enormous selection of model variety that is also present in the marketplace.

Mr KOCH — As a follow up to that, regrettably in some ways our salespeople are about moving product. They are not educators as such. We will always be hamstrung on the mechanism of remuneration for people in that career. Andrew, I, like my colleagues, am somewhat staggered but at the same time very impressed with those figures you put on the table, which you are quite happy to substantiate?

Mr McKELLAR — Yes, sure.

Mr KOCH — I have a strong belief that market forces will outrun regulation anyway. In saying that, what has your chamber done to further the opportunity for the introduction of safety features across the whole vehicle range? I particularly would suggest, from the government's point of view, supporting lesser sales duty revenue. In Victoria the Transport Accident Commission, as a result of lesser accidents with this better technology being introduced, is making a contribution on premiums in that quarter, and also the insurance industry. What work does your organisation do to pursue some of those opportunities on behalf of safety in vehicles and also to control the cost to the end consumer?

Mr McKELLAR — The chamber, in terms of its constitution and in terms of its remit, works in a range of forums to promote road safety outcomes. Those include a range of forums that are conducted at the federal level as well as involvement, wherever appropriate, with individual state and territory groups. Obviously we seek to maintain a good, close working relationship with organisations like VicRoads, obviously the federal authorities, the department of transport in its new guise, as well as the Australian Transport Safety Bureau within the portfolio. It is not solely down to the chamber.

The chamber represents the vehicle brands across the market. I think what one has to do is to look at the track records that those individual brands have. I mentioned one of two examples, but I think there are plenty of examples where individual brands take the initiative in the marketplace to bring forward these technologies, to market them, to ensure that they are in place, that they are included very prominently as part of their offering to the public. What we do, essentially, is encourage that process to play through.

It is a competitive marketplace. What the figures I described to you earlier demonstrate is that when you have leadership in the marketplace, that forces a competitive response. That has been extremely successful in encouraging rapid uptake of these technologies. One of the great successes of the Australian approach is that we have opened our market and we have done so in a way which really is not seen almost anywhere else — certainly in terms of economies where there is a significant manufacturing presence. We have a much more open market than Japan, the United States or even Europe. You will not get the same levels of variety and choice in any of those markets.

Mr KOCH — I support the total argument — that is fine. Competition is alive and is well, but regrettably there is a cost somewhere in here. That is an inhibiting factor. Some cars could be further optioned with better safety equipment, and it is due to that cost impediment that people pull back a little bit. It is for those reasons I say: is your chamber doing anything to improve the situation for the buying public through seeking support from organisations other than the manufacturers to allow that opportunity to happen for your end consumer? I am hearing no, you have not?

Mr McKELLAR — I do not think it is our role. It is certainly not within my remit, I believe, to necessarily go out and fulfil that role. What I would suggest is that that is a role that the brands individually, my members, are performing. That is my answer: it is something that — —

Mr KOCH — Are you not their peak lobby group?

Mr McKELLAR — I am their representative. What am saying is, in terms of the responsibility that the brands have, that is something that they fulfil, and they do it to their customers, and they do it to attract new customers.

Mr KOCH — What I raise is not tied to a brand, it is tied to an industry. I thought as a peak body lobby group it was something that your members may well have discussed with you or you may be pursuing. But I hear no, it is not the case?

Mr McKELLAR — Okay.

The CHAIR — You have probably heard of the Stars on Cars initiative. America has a program that rates vehicles according to their safety of levels. Therefore the consumer goes out there and makes a judgement call about what sort of vehicles they are purchasing. What is the chamber's view about that sort of initiative here.

Mr McKELLAR — I am aware of those sorts of initiatives. In the Australian market we do not have great depth in terms of the level of third-party analysis of safety, performance and so on. There are a limited range of parties that operate in that field. If you look at other markets like Europe or the USA, there is a significant range of organisations with resources that go in there and do that sort of assessment.

The issue of third-party assessment is something that the chamber adopts an agnostic view on. It is a competitive issue, and it is not something that we seek to get involved in and make a discrete commentary on. There are a limited range of organisations in the Australian market that will do that. That is their right and their entitlement: they will seek to make those comparisons. Our view would be that provided it is done in a rigorous and robust way, it is additional information that is at the consumer's disposal.

It is not something we seek to involve ourselves in directly, but if other groups choose to do so, that is their prerogative. In a fully developed market they have a role. I guess what I would say is that seeking to simplify complex safety systems to a summary rating, whether it be in terms of 1, 2, 3, 4 or 5 stars or some other generic basis is, I think, a simplification which may provide useful information to consumers, but in other circumstances runs the risk of being misleading.

At the end of the day I think those qualifications need to be put on whatever analysis third parties bring to bear in the marketplace. It may well add value to the consumer to have that information at their disposal, but that is a matter for the consumers, and that is a matter for the organisations that seek to undertake that analysis. It is not something we endorse, but it is part of the marketplace.

Mr WELLER — Just as long as we get those figures forwarded to us.

Mr McKELLAR — Sure. I will endeavour to provide the figures that were last updated in October and the detail we have there in terms of those.

Mr KOCH — Andrew, I think Canadian tests have demonstrated that injury and impact at lower speeds are now being recognised as greater than some at higher speeds. From your own point of view where do you see your support in relation to vehicle crashes at variable speeds from our own vehicle industry point of view here in Australia? Do you think the evidence coming out of Canada is conclusive? Are we doing any testing along those lines, or what is the situation?

Mr McKELLAR — It is an issue that I am probably not expert enough to answer on. Perhaps I can defer on that question. I think I would need to take some more expert technical advice; that is probably not my forte. If I can seek to refer that one to others.

The CHAIR — In the next five years what vehicle safety technologies does the chamber see reaching the local vehicle market here?

Mr McKELLAR — I think it is difficult to say. I mentioned several in my opening comments, and I think we have seen in the past five years or so a development in terms of a range of new technologies. Five years or so ago features like traction control and ABS and so on would have been considered to be pretty much leading edge. Obviously in the period since then we have had a much stronger advent in terms of stability control, and side impact head protection systems including curtain airbags. I think those features are still growing in terms of their uptake in the marketplace, but I mentioned other features including adaptive cruise control and other systems moving towards, I guess, more intelligent transport systems.

There is an enormous research task still to be undertaken in proving a lot of those systems. The cost involved in continuing to develop those systems and get them to the point where they are available for very broad uptake, I think, cannot be underestimated. Without the benefit of a crystal ball I think there are a range of those technologies which are obviously under development, and there are probably other small enhancements or perhaps less visible enhancements that we see coming into the marketplace from time to time. There are plenty of examples of that on an annual basis where things which perhaps there has been not been wider awareness of — simple features — which enhance safety in important ways, come into the marketplace.

What we need to do is ensure that when those technologies become available there is a sufficiently rapid regulatory response which ensures they are not inhibited from coming to the market. I can think of examples even in the last 12 months where we have had lighting systems which bend with the steering of the vehicle and so on where perhaps the ADRs had not been flexible enough to accommodate those sorts of advance. A simple advance perhaps in concept, but nonetheless one which there was at least arguably a regulatory barrier in place which prevented the brands that wanted to bring that technology into the marketplace from certifying it and introducing it immediately.

I guess what is important is that when those sorts of innovations come to bear we have the flexibility to move rapidly to ensure that the regulatory underpinnings that we have are flexible enough to allow those technologies to be taken up quickly in the marketplace. Are there any other questions?

The CHAIR — No. Thank you very much for your submission.

Mr McKELLAR — Thank you.

Witness withdrew.