

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Increase in Victoria's Road Toll

Melbourne—Tuesday, 21 July 2020

(via videoconference/teleconference)

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WITNESS

Mr Robert Langridge, Director, Emerging Technologies, Federal Chamber of Automotive Industries.

The CHAIR: Welcome to the Economy and Infrastructure Committee's public hearing for the Inquiry into the Increase in Victoria's Road Toll. We welcome everyone who is watching via the live broadcast online.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. However, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament. All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

We welcome your opening comments, but I ask that they be kept to a maximum of 5 to 10 minutes to allow for time for discussion. Could you please state your name for the benefit of our Hansard team and then begin your presentation. Thank you, Robert.

Mr LANGRIDGE: Thank you very much. My name is Robert Langridge, and I am the Director of Emerging Technologies at the Federal Chamber of Automotive Industries. I would like to thank you for the opportunity to present to this inquiry into Victoria's road toll.

The FCAI does represent the importers of new motor vehicles, covering around 68 brands—all of the major original equipment manufacturers—and last year we sold around 1.06 million light vehicles into the Australian market. I suppose, firstly, it is important to remember that Australia unfortunately only represents around 1 per cent of global vehicle sales and, given that, the vehicles that Australians receive are largely as a result of the worldwide harmonisation rules that have harmonised our Australian design rules with the European vehicle regulations. This has meant there has been an increase in the number of vehicles being made available to the Australian public, increasing competition as well as contributing to improvements in vehicle safety as a result. And it also means we need to be very careful to ensure technological solutions on vehicles are introduced nationally and in line with the European legislation introduction timing.

Let me state that new vehicles are much, much safer than older vehicles, both in terms of crash protection, systems such as advanced driver assistance systems, as well as passenger cell protection in the event of a crash. So you are more likely to avoid a crash in a newer vehicle, and if a crash is unavoidable, it is likely to be at a lower speed due to those automated driving assistance systems and the vehicle passengers gain much higher levels of protection due to better crumple zones and advanced safety features—things like numerous airbags, seatbelt pretensioners and in fact even interior treatments to minimise injuries. Now, let us not forget that we are actually increasingly adding pedestrian safety systems so that pedestrians are better protected as well.

In the last 12 months, according to the TAC, 50 per cent of deaths on regional roads occurred from single-vehicle crashes and most of these were vehicle run-off-road. If these vehicles were fitted with some of those—I will call them ADAS features, just for short—such as lane keep warning and lane keep assist, it is likely that many of these could have been avoided as long as the road markings were appropriate on the road. That means: is there a white line to the left and a white line to the right of some sort? Therefore whatever we can do to encourage people to update their vehicles and ensure their vehicles have that highest level of safety features is an imperative we should all share.

When we look at the ABS 2020 census it is interesting to note that the average age of passenger vehicles is increasing in Victoria. So from 2015 to 19 it was 9.8, and in 2020 it has now moved out to 9.9 years. So unfortunately the Victorian vehicle age is increasing. Just for reference, according to Statista, in the UK the average age is about 8 years and in France it is about 9 years, just to give some reference.

To set some sort of understanding, new advanced technology solutions are usually introduced at the upper ranges of vehicles, and frankly that is where the margins make it possible. Then as the volumes of these features start to be incorporated into the vehicle fleet, they then benefit from mass commercialisation, allowing them to be adopted on cheaper ranges of vehicles until they become ubiquitous, and that is the business model. So probably from this perspective it is difficult to understand how the Victorian graduated stamp duty scheme

supports road safety, because it really does mean that some safety equipment is either not included or taxed more heavily and it really does not support that mass production cost reduction and therefore the flow down to cheaper models. And is it contributing to Victoria's ageing fleet? In summary, we do not really consider that there is any evidence of outcomes improving the affordability of newer vehicles, and additionally it also increases the cost of used vehicles with these safety features, because they get taxed a second time and a third time as the ownership changes.

Driver distraction is a serious issue globally for governments and vehicle manufacturers. Manufacturers go to extraordinary lengths to ensure that mobile equipment or messaging to the driver is very carefully managed through tethering of devices. You would probably know it as bluetooth connections with your mobile phone. One area of concern is all of the other devices, such as wearable devices and things like that, that are really not controlled by this tethering and are still providing messages to the driver in many cases. Of course multiple devices in the one vehicle is a challenge not yet solved, but many international organisations are actually working on that. The NTC, or National Transport Commission, have been working on driver distraction, and we would very much encourage the Victorian government to develop responses in line with that nationally agreed position. As a final note on driver distraction, the New South Wales government did pioneer some mobile phone use detection systems, and they do seem to have had some measure of success from our experience.

Road user training—it is a really challenging area. Of course there is the initial training which FCAI will leave to other groups to comment on. However, really under the principle of safe drivers, safe roads and safe vehicles, there is a need for a large effort to educate all road users, and frankly long-term attitudinal change is necessary where we do engender a tolerance for all road users—that is trucks, cars, motorbikes, bikes, pedestrians. We have got to get rid of this entitlement attitude and promote tolerance, courtesy and consideration for all road users. I will just give a couple of examples—and these are only examples. Keeping left: I think so much frustration occurs on the road as result of not doing that. We really do need some education on how to merge, or zip merging—I mean actually thinking about leaving space for the merge to occur. Correct roundabout use: maybe people should not be accelerating as they go into the roundabout to prevent the car on the other side getting space and going through. Managing distracted pedestrians: it is a really serious issue when they are crossing roads and things like that. And tolerance between cars and bicycles: there are really some ugly confrontations on both sides. But I think to deal with some of those we would really need to think about something like the magnitude and duration of a similar very successful campaign like the .05 drink-driving campaign, that really did change some societal norms. Imagine if children were chastising parents for mobile use whilst driving.

The Victorian government's activities on government fleet vehicles—we really do welcome their decision to require advanced safety technologies in government fleet vehicles. Its support for the introduction of these technologies allows wider adoption through the used vehicle markets and really improves access through that level of affordability, if you like. And we also support the work being undertaken to develop and introduce cooperative intelligent transport systems. They have the potential to substantially improve road safety.

In summary, the FCAI really does support the Victorian government's initiatives and recommends that Victoria supports the NTC's national regulatory approach to reviewing the current road rules, with the objective to develop technology-neutral road rules for driver distraction, and it encourages the Victorian government to base any regulation around sound research, noting the difference between the use of portable nomadic devices and in-vehicle systems. Of course we do not support the inclusion of prescriptive tables listing devices and their uses; they will quickly become out of date as technology is introduced to the market. And we definitely recommended a coordinated national approach to introducing any vehicle technology. I will conclude there and open up to any questions.

The CHAIR: Thank you, Robert. You have touched on some really important points. The question that stood out for me was the point about tolerance—the need to improve the tolerance of all road users in utilising the road. Can you offer suggestions on how the government might be able to make such improvements? So how can we increase tolerance on the roads? What kinds of improvements can the government make?

Mr LANGRIDGE: I think that throughout what I listed as an opening statement there needs to be a broad-based education program. And it has got to go right from when people have children. It has got to go right across the whole thing. If we are going to try to change the tolerance level or any of those courtesy

elements, it has got to start when kids are young and it has got to go right through the whole process—bits and pieces right through the education of it.

I think the tendency in Australia, not just in Victoria, is to do a campaign—usually that will be 10 to 12 weeks or something like that—to try to solicit a response and then look for the responses. But I think if you look at the evidence of what occurred in the .05 campaign, that was a long-term campaign—I am not quite sure what period it went over, but I think it was easily five years—and it was consistent messaging that kept going a long period of time targeted at varying driver profiles and we did see societal norms change but it did take time. I was recently made aware of some visits to Norway; they have one of the lowest per capita road fatality rates in Europe, largely attributed to driver behaviour change orchestrated through long-term — five years or so — public education programs.]

Mr FINN: ... start by telling you that if I used my phone while in the car whilst my children were there, my life would not be worth living. That change has already occurred, so that is probably a very good thing. They would give me hell, I can assure you. I would never dream of it.

Mr LANGRIDGE: I am so glad to hear it.

Mr FINN: I want to jump forward a little bit, and I note here that you are the Director of Emerging Technologies. And I go back a little way to when I was chair of this committee in the previous Parliament, or it might have been the one before, and we had some discussions about fully automated vehicles, as in driverless vehicles, and what impact that would have on the road toll. Now, there were some people at that time who were of the view that driverless vehicles, fully automated driverless vehicles, would eliminate road trauma. Firstly, how realistic is that? Would that actually happen? How realistic is such a thing happening, and when would you anticipate we could expect to see that happening?

Mr LANGRIDGE: Okay, so I think that the idea that automated vehicles are going to eliminate road trauma is not correct. The expectation is that they would reduce it but not eliminate it. There has been quite a bit of research done on the expectations of that. When we are talking about fully automated vehicles, we are talking more once we get to level 5—that is, the SAE level 5.

Now, there are some accidents that occur due to circumstances that just cannot be predicted and are within the normal state of a road user's operation. So the expectation is that whilst they may well reduce—and the expectation generally, for most of the studies, centres somewhere between about 80 and 90 per cent reduction—it is not total elimination, which may not be what everybody wants to hear, but that is probably more likely to be the case. But if you think that if you could reduce 80 per cent of deaths or 80 per cent of trauma or something like that by removing human error from the driving task, then that is a very admirable aim. In terms of when it is likely to occur, generally speaking I think that we are still some time away from it. It is hard to put a time on it at this stage. I would definitely think that we are at least 10 years away from it—if not a little bit longer at this stage—based on the research that is occurring in most of the other countries.

Just whilst you do raise that issue, we have been dealing with the NTC reporting to the Transport Infrastructure Council and the various organisations through that. The Transport Infrastructure Council recommended that, along with the in-service safety provisions, they add executive officer liability to companies bringing automated vehicles into the country. The FCAI does not agree with that approach. We think that that is the best way to stop automated vehicles coming into Australia—if you are going to make the executive officer actually liable, apart from corporate requirements for us. We know that it has gone to TISOC and to TIC at this stage, and so NTC is now looking at the process of what to do and how to do that right. But it is certainly not something that any of the manufacturers would support—going down the road of the executive officer liability, especially when you think that the automated—

Mr FINN: Holding the executive officer personally liable?

Mr LANGRIDGE: Correct. Especially for an automated driving system that is developed overseas and then meets all of the introductory pathways to get the vehicle homologated and approved for use on Australian roads. To then say that if the automated system for some reason breaks the law or whatever it is going to do we are now going to hold the executive officer liable in addition to the corporate liability that would already apply and in addition to the fact that whatever it has done, particularly if it happens to be systemic, then obviously there are corporate reputations and things like that that would—

Mr FINN: That does seem more than a little over the odds. Who is proposing that?

Mr LANGRIDGE: That is the National Transport Commission.

Mr FINN: Right, okay.

Mr LANGRIDGE: And so that proposal has gone to the Transport Infrastructure Council, of which the Department of Transport in Victoria is a member, and it was agreed to proceed.

Mr FINN: Really?

Mr LANGRIDGE: Yes.

Mr FINN: When was that, can I ask?

Mr LANGRIDGE: Earlier this month. It might have been late last month. I cannot quite recall when the meeting was on.

Mr FINN: That seems extraordinary.

Mr LANGRIDGE: In the context of this, we would say that that would then mean that Australia would be the first country in the world to add executive officer liability onto such a system, whereas most other jurisdictions are heading down the insurance route and things like that. And that would be a big barrier to bringing automated vehicles to this market.

Mr FINN: Is there any suggestion as to the arguments for or why they made that decision?

Mr LANGRIDGE: Yes, there is. And I would be happy to discuss those at some time, but it might take a while.

Mr FINN: Okay, righto—fair enough. Sorry, Chair, I do not mean to take over the hearing.

The CHAIR: Interesting. That was the first I heard of that as well. That is a considerable change in the framework of automation coming along.

Mrs McARTHUR: Thank you very much. You have just touched on a very interesting aspect. I wonder if you could send any of that relevant information to the committee, and the Chair might arrange for the secretariat to distribute it to us because I think that this is very serious. And given that we have just passed some dreadful legislation in Victoria that encourages class actions and the industrial manslaughter legislation, I can see that we would be open slather for this sort of stuff in our state. So I think we need to be made well aware of exactly this proposition. But I am wondering, given that we do not produce any vehicles in Australia any longer, why we have got taxes on vehicles at all. Surely we could just have the GST on a vehicle. Why do we still have luxury car taxes, do you think?

Mr LANGRIDGE: The FCAI has campaigned extensively against the luxury car tax in all its forms and do not believe that it is relevant in the future. Obviously it was originally put in place to protect local manufacturers. That is no longer the case. I suspect it is more of a budgetary issue these days, and probably given the current environment that may be challenging. I think that the only other comment I could make is that through the free trade agreements, which you alluded to, I suppose, in terms of taxes generally that are being negotiated between Europe, the UK and Australia, that has been put on the table as being against some of the free trade requirements. So ultimately I suspect something will occur as a result of that, but obviously I am not privy to those discussions.

Mrs McARTHUR: No. Well, thank you for that. I think it is something we should look at, because if we are going to bring safer vehicles into the country, we do not want to be taxing them if they are safer necessarily. We should, as you say, be encouraging people to move into safer vehicles. I am just wondering: this is a little off the mark, but given that we fund a lot of road infrastructure through the fuel excise levy, I do not know whether you have an opinion on electric vehicles, given that they do not put fuel into their tanks. How would you suggest they contribute to road infrastructure without accessing the fuel excise levy?

Mr LANGRIDGE: It is an interesting perspective that FCAI is working on. I think we have got some big challenges with electric vehicles. Obviously they are quite expensive to produce at the moment. You have also seen that probably one of the most famous people in the world in Mr Dyson tried to go down the road of developing electric vehicles and decided that it really was not profitable. For most manufacturers at this stage, to bring an electric vehicle to market is challenging. The batteries are expensive, and even though some of the costs of the batteries are in fact coming down, there is an expectation with the volume of electric vehicles that are going to be required worldwide, particularly as a result of some of the requirements by some of the governments particularly in Europe and the US to increase the numbers of electric vehicles, that there will be a shortage of capability to produce batteries and there will be a looming shortage of materials. So as a result of that we do expect that as the mass production comes we will get a reduction in the cost of the batteries but that we will also then get an uptick at a later point in time as you get the second part of the curve as the costs to produce or the input costs start to increase these costs.

So that makes electric vehicles a very challenging proposition. They are great for the environment, but obviously from the perspective of cost to produce they are expensive. And you can take some pretty clear examples. You have got the Hyundai electric vehicle and a very similar vehicle, which is the internal combustion engine version, and typically you are looking—and do not quote me on the numbers—at somewhere around \$11 000 to \$12 000 difference for a very equivalent vehicle. That makes them challenging to sell, and the point that you quite rightly point out is that at the moment they would not be paying for the road infrastructure through fuel excise, which is the federal version of it. They are still paying it from a state perspective through stamp duties, through registration fees and all those sorts of things, but not from the fuel excise element. FCAI is still trying to work out what the best option is to handle that in the longer term, and we have not finally developed our position on that particular issue just yet, but there is a need to consider how to deal with it.

Mrs McARTHUR: And if I may—one more question—given that most of these vehicles are being produced sort of on the world stage in a way, and we are all importing them from a few manufacturers, does your organisation work with similar organisations around the world to facilitate a sort of generalisation of all the regulations around the new technologies that would need to be introduced for the advanced programs that will be put into cars so that it is the same everywhere and the cars, if they are made in Germany or Japan or wherever, will be compliant no matter where they are exported to? So how can we get to a sort of national, even an international, status of having the same regulations and requirements both on the road but also in these vehicles?

Mr LANGRIDGE: Yes, and we do work internationally with a number of organisations. Probably the most common one we work with is OICA, which is the International Association of Automobiles. It is a French version of the name. So OICA does not stand for that particularly, but if you take the French version of it, it does. And OICA actually puts out significant policy statements and works on the manufacturers' side to work with the international regulations. We are also working with the UNECE through organisations like OICA, and there are a couple of others that we do work with. We have links with the UK sister version of the FCAI and a couple of other organisations, and we do work to get to this worldwide harmonisation of our road rules and the vehicle specifications.

So at the moment a large majority of our Australian design rules, which obviously we have to meet, have been harmonised with the European regulations. There are still a couple where we have some differences. I know one of them is in child seat restraints where we are a bit stronger than the worldwide requirements. So we accept that as long as they bring in the additional top tether strap that is required for our child seats. That is just one example. There are about four or five examples of that. Please do not ask me to quote them, because I cannot remember them all. But we are working down through this process of trying to get to the worldwide harmonisation of all of these regulations. And what that will mean is that if a vehicle is produced for Europe—and it will go through all of its crash-testing protocols and all of those sorts of things—then each one of those can easily be related directly to an Australian design rule and that vehicle can then be brought into Australia. It may have to meet a couple of extra requirements, but usually that is not so significant that the manufacturers cannot handle it at this stage. The ultimate aim is complete harmonisation, though.

Mrs McARTHUR: Thank you. That would seem logical. We of course probably need to get a national approach here I imagine. We are not so good at harmonising within this country let alone outside of it, but let us get to a national and then an international approach. So thank you very much for your presentation.

Mr LANGRIDGE: No, you are absolutely correct.

Mr BARTON: Thank you, Robert. One of the things that Australia does is we allow vehicles to come in—when you talk about 5-star safety rating—that we allow cars to come in at 2 and 3, some of these very cheap brands. If we are serious, we should be stopping that, I would think, in terms of road safety. What does your organisation think about that?

Mr LANGRIDGE: I do not know that we have developed a policy on that particular aspect. I suppose within the NCAP safety ratings, or ANCAP as they are applied here in Australia, I think that if you consider that, say, a vehicle complied with a 5-star back in 2015—just to pick a date, no reference to the date—and then you have got a vehicle that complies with that in 2020 at 5-star, the 2020 5-star rating is far safer than the 2015 5-star rating, because it has to meet more and more of the requirements on a biannual basis as they are increased by ANCAP. So there are some suggestions to say that a 2-star rating in 2020 may actually be equivalent to—I do not know; I am guessing here—a 3- or a 4-star rating back in 2015, right—or it might have even been a 5-star rating back in 2015, because the ratings continually increase, and I think if you look at ANCAP's website it will tell you to always look for the latest level of 5-star to determine which is your safest vehicle. So ultimately whether a 2-star vehicle is not as safe as a 5-star vehicle, but is it an unsafe vehicle to be allowed on Victorian roads compared to maybe a five-year-old 5-star vehicle, I do not know that I would have the knowledge to be able to say that it is or it is not.

Mr BARTON: We know that people are more likely to be killed in an accident if their vehicles are older than 10 years. We have got one of the oldest fleets on the planet, I believe. Are we as bad as that? We have got a very old fleet compared to Europe and certainly the Americans.

Mr LANGRIDGE: We are certainly old to some of the countries in Europe. I mean, there is wide variation within Europe. You can go to some of the European countries that have much older fleets. They do tend to be more Eastern Europe as a general guide but not exclusively.

Mr BARTON: Here in Victoria the only time a vehicle gets a certificate of roadworthiness is when the vehicle is sold, so someone can have a vehicle for 10 or 15 years and they have no obligation to deal with that. Would your organisation support what they do in New South Wales, where once a vehicle becomes four years old they then have to do an annual roadworthy inspection? If we are going to have a fleet as old as we have, perhaps these vehicles need to be checked on a more regular basis.

Mr LANGRIDGE: I think it is certainly true that we need to ensure that any vehicle operating on the road is safe, and if routine roadworthies are a method of achieving that, then that may be something that should be considered. I think we also have to look at the statistics to understand whether in fact that is actually a cause of road accidents, right? So we should always base it upon statistics and work that out, and I do not have those statistics handy, so I cannot comment on that side of things. But I think we should always work on an evidence base. Generally speaking, in a general sense I think that some methods—but naturally we have to balance it up with the economics of it, I suppose. If a vehicle is checked and it is made safe in some way, shape or form—now, that could be through annual roadworthies or at a point in time over a certain point in time, or it could be through regular maintenance in some way, shape or form—that there are some sorts of checks and balances, then I think obviously that is a good thing.

Mr BARTON: I did some work recently around the taxi and hire car industry and the wider fleet. I cannot say these are exact numbers, but something like 28 per cent of the vehicles were failing roadworthies. I thought that was pretty staggering.

Mr LANGRIDGE: It is extraordinary for vehicles that I think within the taxi and hire car industry do have some mandatory inspections—don't they?

Mr BARTON: They do, and that is how we knew that they were failing.

Mr LANGRIDGE: That is extraordinary. If that is representative out in the general population, then it is certainly something that should be addressed if we can find the link to that. I just do not know that within the accident statistics there is anything that links—I certainly have not found it. It may exist; I just might not have come across it—as to how much of a cause of accidents that is, and is that something that we should prioritise? Whether that is case or not I do not know.

Mr BARTON: It is in the single figures, Robert, I think, where they can put down a death or a serious accident as caused by the vehicle being unroadworthy. I think it is very low, less than 5 per cent of accidents.

The CHAIR: Yes, it is a low cause—I am just putting on my personal injury hat; previously I was a personal injury lawyer—

Mr BARTON: Oh, were you?

The CHAIR: Yes. The majority of accidents, it seems, were human error involved, if you could call it that. Some might say negligence, but yes, human error was the greatest cause. So I am not sure if you have a newer vehicle, it is going to resolve the issue.

Mr BARTON: I am very fortunate to drive a car which is semi-autonomous. It has got all the latest bells and whistles and all that sort of stuff. It can steer itself beautifully up the Tullamarine Freeway, but as we are all aware, once we get outside of the metropolitan area, our roads are appalling. And if I put it on self-drive, I drive on the dirt more than I drive on the bitumen. So I think the cars are only as clever—I think we are a long way away from having autonomous cars because we need to bring up the infrastructure to match it, and the amount of work that has got to be done in rural Victoria, it certainly will not be happening in my lifetime.

Mr LANGRIDGE: We certainly have many roads that do not have the right line markings on them, and frankly that is what is necessary. If you are going to have autonomy in the vehicles, we have got to have the road infrastructure to suit it, and frankly the white line on the left-hand side is one of the most critical ones. The camera systems can actually track that. And they have got to be in good condition, and then the car can manage its way within its lane. As I said during my opening statement, 50 per cent of those country fatalities particularly are run-off-roads, and typically that is either someone distracted or they might be drowsy or fatigued. Those types of issues, that is 50 per cent. That is huge. If we could get rid of that one alone, that would be a huge improvement to not just Victoria's road toll but the country's road toll—and it is so simple. But then not all the cars have those features either, so we are only dealing with the new cars. At an average age of 10 years, that probably means somewhere between 20 and 30 years before we get the whole of the fleet changed over.

Mr BARTON: Exactly, yes.

Mr LANGRIDGE: Unfortunately. The key point about that is we should not be dissuaded by that; we should actually be saying, 'Okay. Well, if we can get that happening now, at least we start to get those newer vehicles starting to convert over to incorporate those features, and then we start to slowly get that churn occurring within the fleet'. And it has got to start somewhere.

Mr BARTON: You are absolutely right. I support you 100 per cent on that.

Mr QUILTY: I was pleased to read about the call that you are making to up the stamp duty on cars and pushing up the cost of cars, because that is a point we raised last year when we were increasing it. Would you go so far as to say there is a direct link between taxes on the cars and deaths on the road, and if we cut the taxes, deaths will drop—just by reducing the age of the fleet?

Mr LANGRIDGE: I would like to think there is. I do not know that I have the evidence to support it, though, at this point in time. What I do know is that the additional taxes are a barrier to (a) some manufacturers putting some of those advanced safety vehicle features onto their vehicles, typically the vehicles that operate in the bands around where the tax increases. So you are bringing a vehicle to market—and what does the Victorian one start at, \$67 000, where it moves to the next level, or something close to that—and you are in that area and then you have got to decide, 'Well, which feature don't I put on the car? Is it the leather interior or the leather-look interior, or is it some particular safety feature?'. Now, with things like some of the features on cars, manufacturers will have to make the decision as to which one they decide to install based on consumer demand. Now, not all consumers want those advanced safety features in comparison to some other features, so it is a very challenging environment. Obviously manufacturers are there to sell cars. They want to put a product into the market that sells the most that they can and gives them the best value that they can get. How you link that to actual road deaths is a very challenging area.

Mr QUILTY: All right. We were talking about harmonising safety standards before. Should we just flat out adopt overseas standards and be done with it? Rather than having our own Australian safety standards, should we just go, 'Right. German standards are the ones. Let's have all our cars with those' and do away with all our own requisites and that?

Mr LANGRIDGE: I actually do not think the Australian standards are a major issue. I think that, generally speaking, the harmonisation process has worked well. We still have not convinced Europe to adopt our top tether strap for the child seats, and clearly the evidence suggests that that is safer than what Europe has. So they have the Isofix system, but they do not necessarily require the top tether strap. I do not know that we want to go backwards in that sense. And most of the other standards are being worked through to get them to a level of harmonisation that stops any barriers. My view would be that at the moment there are not a lot of barriers in that harmonisation area at this stage. My comments about that harmonisation are probably more to reflect that we are going through that process and therefore it would be very difficult if a particular state decided at some point in time to want to introduce something that was not in line with either the national introduction timing and/or the European timing. Because we are going down that harmonisation road, and it becomes a bit of cherrypicking as to which particular feature you might want in a particular jurisdiction. So my comments are: 'Let's be nationally consistent and let's be consistent with this harmonisation process that's given us so many great advantages'. As I said, I do not think harmonisation at the moment is such a great barrier to getting product into Australia.

Mr QUILTY: All right. Now, in your submission you talk about when there is a safety recall on cars and cars have not come in, the registrations should be suspended. Can you elaborate on how that would work? It seems like that is going to be impacting on people who cannot drive through no fault of their own.

Mr LANGRIDGE: I suppose most specifically we have been dealing with the Takata mandatory recall most recently. It is probably the most well known, and we have had regular discussions between the ACCC and the departments of transport in most of the jurisdictions. And just to put it out there, just in that particular recall—because I have just come out of a meeting—I think the industry is well into the 90 per centers to correct that particular recall, and some manufacturers are up over 95 per cent at this point in time. But we are dealing right now with those consumers that have either ignored the advertising or ignored the requests and are continuing to drive those vehicles for whatever reason. Either they are distrusting of the whole process or they just do not consider it serious—whatever their reason is. And as a result of that, the manufacturers are working through the process to try to get each and every one of those fixed. So one of the final steps out of that is to make sure that we can actually get to the point of deregistering vehicles.

So there are two issues, I suppose. One is the accurate information within the registration branches to make sure that we have the right data. And the second one is then to say, okay, after so many letters, after so many warnings and after so many communications, there comes a point in time where we have got to say, 'Well, actually, you have now lost the right to continue to register that vehicle'. I think that is a necessary step in the endgame. It is not something that we need to do in the early game—manufacturers can usually achieve pretty good recall completion rates—but certainly in this one, where it is a very severe issue and the risk to the driver should they be in an accident with one of these airbags is catastrophic. We have seen a couple of examples of that in Australia and we would not want to see any more, so whatever we can do to enhance those processes is beneficial. Having said that, coming out of that meeting today, it appears that some of the legislative issues that some of the departments of transport are dealing with are somewhat problematic as to their ability to deregister on that basis. So that was not specific to Victoria. At this meeting we did have a discussion with Queensland's department of transport, but I have been involved in previous discussions with the Department of Transport in Melbourne, and they certainly strike some issues in their ability to legislatively enable some of those things to occur.

Mr QUILTY: I guess my last thing at this point is really just a comment. My car is 13 years old, and I am hoping to get another couple of hundred thousand k on the clock before I get rid of it—I should probably. I drive a lot more since I got elected than before, so it should be another couple of years away. I am unimpressed by calls to just get rid of cars after they reach a certain age. I accept that a younger fleet is probably safer, but I am not thrilled with the whole idea of getting rid of cars that are perfectly good.

Mr LANGRIDGE: Well, we would encourage you to get into a newer car. I think, as my opening comment stated, it is a far safer one for you to travel in. That is not to say that yours is completely unsafe, but you are

availing yourself of better safety features and things like that. Of course if you never have an accident, that will be good, right? And I think there are other imperatives to newer cars. Obviously they are far more fuel efficient, putting out less CO₂—all of the global warming stuff. But really, safer and probably more reliable—all of those sorts of things. You might argue about the reliability, depending how you are maintaining your car, but ultimately there are benefits to be obtained. And if I can help you out to get you into a new car, please let me know.

Mrs McARTHUR: Now, can I just butt in there? Have you got a recycling plan for these old cars? If you want to get them all off the road, what are we going to do with the wasted vehicles?

Mr LANGRIDGE: Well, there is a good recycling industry out there, actually. Most of the vehicle recyclers will recycle components. A lot of the plastics are recycled. It is quite extensive. It could always be better, though. So I acknowledge that it is a challenging industry, but I think from an economic perspective we can always think about how we develop recycling initiatives within the community so that there is more use of recycled products and therefore that makes it the fact that beyond the use of the vehicle they can be re-utilised, maybe as park benches or seats or God knows whatever else. I see there was a recent recycling initiative regarding the roads, incorporating tyres into roads, so I think there are a lot of initiatives that we can actually work on. And certainly it is on the FCAI's agenda to work with our committees to see what other recycling opportunities might be available.

The CHAIR: Thank you for highlighting an issue that does, I guess, bring to life the challenges of the competing interests of costs and waste generated by getting rid of cars so early—and then affordability—but at the same time safety and the road toll is what we are looking at today.

I would like to pass off to Mr Meddick because he has not had a say yet. So please, Andy, feel free to ask a few questions.

Mr MEDDICK: Thank you, Chair. I must admit the majority of the questions I originally had were based around driverless vehicles, and they have all been answered so far, so I thank the rest of the committee members for actually bringing them to the fore. And thank you, Robert. I just wanted to ask, though, a very quick question around what you brought up on the deregistration of vehicles that have not had their safety recalls done. Quite often it is not necessarily transparent as to the reasons why people do not get this done. There are a number of factors that can feed into that other than the obvious ones which you have spoken about. Let us say, all things being equal then, that VicRoads does not re-register that vehicle at that point in time. Would you be opposed to a notice of, say, 14 or 21 days being issued from VicRoads at that point of re-registration and saying, 'Right, you've now got 21 days where this is your last opportunity', to make them aware so that they then do not have to go out and go through the whole process of getting not just that update done but another roadworthy certificate, which could potentially put them off the road for a lot longer while waiting for that to be done? Would you be averse to that last opportunity being given? Because that particular person might need that vehicle to travel to and from work, which could have an adverse effect. So I am just thinking in terms of minimising—if the vehicle is otherwise safe and the only thing is the safety recall, I am just thinking other factors might have led them to not being able to get it done.

Mr LANGRIDGE: I think there is certainly evidence from other jurisdictions that have actually gone down the road of issuing defect notices and giving drivers or owners a period of time, which generally has been 21 to 28 days, depending on their particular legislative requirements. I do not think that would be an issue. I mean, from a manufacturer's perspective and from the ACCC perspective, we would like to see this concluded, and in fact the requirement is to conclude it by December this year. So we are on a time frame, and we are dealing with that last whether it is 5 or 6 per cent, I think it is, to get them in. Having said that, I think that particularly in this particular recall campaign, there are a couple of odd vehicles around but in most of the vehicles there is a very short repair. Most manufacturers will do it for the owners while they wait. I think that is in about 80 or 90 per cent of cases. For owners that have particular issues, particularly with the critical or alpha airbags, then they are sending people out to people's homes, to their workplaces, to repair them. They are doing all sorts of things. They are towing them in and those types of things to try and facilitate the repairs. You are right; there may be many reasons why a consumer might decide not to, but I think there has been an extensive advertising program explaining the dangers of this particular recall, which is extraordinarily dangerous, right? So now we are trying to deal with those ones that have not taken up the opportunity and trying to get to those. So it is really

challenging and, if you like, this last 5 or 6 or 7 per cent is the most challenging of the population to get them back in.

Mr MEDDICK: I am sure they are. That 5 or 6 per cent—do you have any idea how many vehicles that actually represents in numbers?

Mr LANGRIDGE: I do not have those figures right in front of me at the moment, so I cannot really say.

Mr MEDDICK: Can you see a way of finding that out?

Mr LANGRIDGE: I could easily find that out. In fact I can tell you that the numbers will be published on the ACCC website probably around the 14th of next month, actually.

Mr MEDDICK: Fantastic.

Mr LANGRIDGE: But I could get you interim figures if you would like them.

Mr MEDDICK: If you could. I think that would be a very handy number to know.

The CHAIR: Thank you. If you could forward that, Robert, and we will distribute it to all the committee members.

Mr LANGRIDGE: Righto, no problem.

Mr MEDDICK: The reason I ask is because it strikes me that that could be a very effective campaign to publicly run to actually know those numbers and to put them out, say, on a TV or other types of media and say, 'We know that there are only X amount of you left out there that need this recall. If you're in this cohort, can you please make arrangements with the manufacturer to have this done?'.

Mr LANGRIDGE: The FCAI has actually been doing some. While we have not put the number out there, we have actually started going down the road of: 'Your car may well be deregistered'. It is still a 'may well be' because some jurisdictions are and some are not. So from a national campaign perspective we have got to be a bit circumspect on that. The only problem for us is that trying to identify the numbers for Victoria may be a bit more problematic. It may just be a national number at this stage. So it is a little harder for us to bury down into which numbers are actually relative to Victoria, because that obviously depends on registration data, which is somewhat challenging in many respects.

Mr MEDDICK: VACC might be a bit more forthcoming. Thanks so much. That is wonderful. Good answers.

Mr LANGRIDGE: I can send it to you.

The CHAIR: Thank you for that. I guess we have almost come to the end of our allocated time and, on that note, I just want to say thank you, Robert, for your contribution, your submission and your presentation today. Thank you also to the Federal Chamber of Automotive Industries. It has been quite an informative discussion, quite engaging. You raised a number of issues regarding the standards we apply, and internationally. A lot of the questions I had also were asked, so I want to thank the committee members as well. This has been probably one of our most engaging presentations of the day. So thank you all, and thank you, Robert, on behalf of the committee. It has been a pleasure.

Mr LANGRIDGE: And thank you to the committee for hearing us out. It has been a great opportunity. Thank you so much.

Witness withdrew.