



# ***TRANSPORT AND RESOURCES COMMITTEE***

**Members present:**

Mr SR King MP—Chair  
Mr CE Boyce MP  
Mr LL Millar MP  
Ms JC Pugh MP  
Mr LA Walker MP  
Mr TJ Watts MP (virtual)

**Staff present:**

Ms D Jeffrey—Committee Secretary  
Mr Z Dadic—Assistant Committee Secretary

## **PUBLIC HEARING—INQUIRY INTO VEHICLE SAFETY, STANDARDS AND TECHNOLOGY, INCLUDING ENGINE IMMOBILISER TECHNOLOGY**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 10 MAY 2021**

**Brisbane**

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**The committee met at 9.30 am.**

**CHAIR:** Good morning. I declare open this public hearing for the committee's inquiry into vehicle safety, standards and technology, including engine immobiliser technology. Thank you all for your interest and attendance here today. I would like to start by respectfully acknowledging the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share.

My name is Shane King, the member for Kurwongbah and chair of the committee. With me here today are: Lachlan Miller MP, the member for Gregory and deputy chair; Colin Boyce MP, the member for Callide; Jess Pugh MP, the member for Mount Ommaney; and Les Walker MP, the member for Mundingburra. Trevor Watts MP, the member for Toowoomba North, is joining us via videoconference.

On Wednesday, 24 February 2021 the Legislative Assembly agreed to a motion that the Transport and Resources Committee inquire into and report on vehicle safety, standards and technology, including engine immobiliser technology. The purpose of today's hearing is to assist the committee with its consideration of this inquiry. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. As these are parliamentary proceedings under the standing orders, any person may be excluded from the hearing at the discretion of the chair or by order of the committee.

The committee will not require evidence to be given under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. You have all previously been provided with a copy of instructions to witnesses, so we will take those as read. The proceedings are being recorded by Hansard and broadcast live on the Queensland parliament's website. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note it is possible you may be filmed or photographed during these proceedings by media. Images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode. I also ask that any responses to questions taken on notice today be provided to the committee by 4 pm on Monday, 17 May 2021.

This hearing is the first of a series of hearings the committee will hold for this inquiry. Further hearings will be held over the coming weeks. The committee's webpage will be updated as further information becomes available about dates, times and invited witnesses. Today the committee will hear from the Queensland Police Union of Employees and Queensland Economic Advocacy Solutions from 9.30 am to 10 am; RACQ from 10.05 am to 10.35 am; the Insurance Council of Australia from 10.40 am to 11.10 am; the National Motor Vehicle Theft Reduction Council from 11.15 am to 11.45 am; and the Federal Chamber of Automotive Industries and Australian Low Volume and Individually Constructed Vehicle Association from 11.15 am to 12.15 pm. I now welcome representatives from the Queensland Police Union of Employees and Queensland Economic Advocacy Solutions.

**BEHRENS, Mr Nick, Director, Queensland Economic Advocacy Solutions**

**LEAVERS, Mr Ian, General President and Chief Executive Officer, Queensland Police Union of Employees**

**Mr Leavers:** I thank the committee for the opportunity to appear before you today. As you know, my name is Ian Leavers. I am the president of the Queensland Police Union of Employees, which represents the 12,000 men and women of the Queensland Police Service across the state of Queensland. It is no secret that I am passionate about compulsory engine immobilisers. I have been quite vocal publicly over a number of years. I believe that we should use technology each and every opportunity it comes online in the future against other traditional methods that have been in place. I think there can be benefits for the entire community.

Public Hearing—Inquiry into vehicle safety, standards and technology, including engine immobiliser technology

I have over 30 years of policing experience. I am certainly experienced in this area of policing, having been involved in first response policing and traffic enforcement. I am an experienced investigator in serious and fatal crashes over a number of years and an investigator in the Child Protection Investigation Unit. Through all of these roles I have seen the human and economic impacts on victims as well as those who have committed offences. I think we should use technology as we move into the future.

The Queensland Police Union has commissioned research from respected economist Nick Behrens, whom we have invited to be with us here today. We are collaborating with Mr Behrens to demonstrate the economic benefits of compulsory engine immobilisers as we move into the future. As with any research or opinion, the Queensland Police Union and I believe it needs to be backed up with evidence, which is really important. Today we are advocating for a pilot trial in one location, namely Townsville, which would cost the government around \$5 million. We believe this would be a great proof of concept as we move into the future to look at the benefits that may be achieved with a view to rolling it out further across the state of Queensland so we can reduce human and economic impacts to the community at large. At this point I would like to hand over to Mr Behrens, who will be able to give the committee further details, especially on the economic benefits to the state of Queensland.

**Mr Behrens:** The QEAS very much appreciates the opportunity to appear before this committee. I believe the QEAS came to the attention of the committee because we presented at the QPU's national summit on youth crime. The presentation we gave was really the preliminary findings QEAS established in building a business case for the installation of compulsory engine immobilisers.

We often think of vehicle theft as a property crime; however, the evidence shows that 75 per cent of vehicle theft nowadays is used to commit a more serious offence. Each one of those offences incurs an economic cost; for example, the government has to pay for frontline services in the areas of policing, health services, crime and justice. All of that has a cost, but there is also a cost to the community. We are aware that the insurance industry has a particular interest in this inquiry in relation to the mandatory installation of engine immobilisers. Quite often when a car is stolen the individual is out of pocket to the tune of \$5,000. We know that has serious implications on people's livelihoods. Quite often tools associated with a person's livelihood are stolen as part of the vehicle theft and that person is no longer able to work. We know that some people rely on their vehicles to get to and from work, and when their vehicle is stolen they are no longer able to work. All of this has an economic cost. All of this has implications for productivity. That is why QEAS established in a business case the cost/benefit of establishing a pilot in Townsville for the compulsory installation of engine immobilisers.

Initial findings are that it would be in the order of about \$5.4 million for 20,000 vehicles in Townsville. To give you an idea of how quickly that cost would be paid off, economists are quite cold and calculating and the value of a statistical life in Australia is actually \$4.7 million. You really only have to save two lives and you are significantly ahead from an economic point of view in that pilot. We have to be mindful that when we seek to impose something that is compulsory there needs to be a net public benefit. Benefits need to outweigh the costs. In this instance we believe that there is a very strong argument—a very strong business case—for the compulsory installation of engine immobilisers.

**CHAIR:** The product that you would seek to trial in Townsville would obviously be engine immobilisers. That would not be a remote immobiliser. Would it be a keypad to stop the vehicle from being started?

**Mr Behrens:** It is very important to distinguish between the three options that are really on the table. In Queensland we have a cohort of 385,000 vehicles that were built prior to July 2021 which have no engine immobilisers in them. It would be great to introduce engine immobilisers for that fleet. We also have other initiatives like the ghost immobiliser, which is the input of a PIN in addition to start the vehicle. We also have remote engine deactivation. The purpose of the business case we are preparing for the pilot in Townsville relates to ghost immobilisers. That would be an additional layer of security in that you would need to input a PIN into the vehicle. There are already after-market solutions that are available. We note that a number of major vehicle manufacturers are now introducing that as well as part of their vehicle range.

**CHAIR:** I had a 2002 Subaru WRX that—it was frustrating—you had to put in a PIN or nothing would work. You could not start it; that was it. There was no way to do anything until you had that PIN.

**Mr Behrens:** That is the vehicle of choice for hoons.  
Brisbane

**CHAIR:** Maybe that is why Subaru put it in there.

**Mr MILLAR:** You talked about Townsville being the ideal spot to do a trial, so what are we looking at there? What is the trial? What does it look like? What do you want to establish in the trial?

**Mr Leavers:** It is no secret that Townsville, for probably all the wrong reasons, has been in the media. I think it is probably a good place to start a trial. We accept too—and this is why it needs to be subsidised—that a lot of average mums and dads or young people simply are not flush with cash and may need some assistance. We believe this would certainly be of benefit. It is easy to say that those who have greater funds could fund it themselves, but I think we need to look after the average battler and make the choice to assist them. It would be good to look at the trends and see what impact it would have. I think Townsville could be a really good place to start, and then it could be replicated in other parts of the state and the rest of Queensland in time.

It is no secret that I wanted this to be on the federal agenda with COAG. I believe that all car manufacturers across the world have an obligation because the technology is there and I would like it to go further, but that is not the purpose of this committee hearing today. I accept that Australia and New Zealand are only one per cent of the world car market, so in the scheme of things we are minute, but I think, with everything over the last couple of years, Townsville would be a good place to start.

**Mr MILLAR:** Can you explain the trial in layman's terms? What would the trial look like? What are you using? How would it be rolled out? What is your vision?

**Mr Leavers:** The ghost immobiliser system could be rolled out where you have the secondary system. Most cars now have immobilisers but they are activated with the key. We know that people are now committing other crimes to get to the keys. If there was a secondary device, whether you have the keys or not, that will prevent that vehicle from being stolen in the first instance. I would look at subsidies for people across the board to have that installed in their motor vehicles. Then you look at the trends in relation to the reduction in other crimes committed to steal the cars as well as the reduction in car theft and hopefully a cultural change within the community.

**Mr MILLAR:** What would the cost be to mum and dad? What is the subsidy? How much is the subsidy?

**Mr Leavers:** I will hand over to Mr Behrens because he has worked on the figures.

**Mr Behrens:** The validation for choosing Townsville really is a statistical one. If you rank local government areas by the number of vehicle thefts, Townsville is actually the sixth highest LGA in Australia at 770 thefts in the 2019-20 financial year. However, if you then rank it by thefts per thousand vehicles, Mount Isa is the No. 1 in Queensland and Townsville is No. 2. In terms of the number of vehicles stolen, it is 770 vehicles in Townsville versus 104 vehicles in Mount Isa, so you can see that Townsville rises to the top in terms of the number of vehicles stolen.

**Mr MILLAR:** What would the cost be?

**Mr Behrens:** At this point, \$220 is the cost of installation plus purchase of an engine immobiliser.

**Mr MILLAR:** Are you looking for the subsidy to cover all of that?

**Mr Leavers:** The \$5.4 million is calculated on the basis of full payment of that \$220.

**CHAIR:** I am trying to understand this. It covers all vehicles. Would Townsville have a higher proportion of vehicles that were never fitted with an immobiliser—the pre-2000 or pre-1990 vehicles?

**Mr Behrens:** The statistics we are using are from the National Motor Vehicle Theft Reduction Council. I note that they are appearing later this morning, so they might be better placed to answer that question in terms of the slicing and dicing of the data. We have not been able to discern the vehicle age profile by LGA in Queensland, but anecdotally you would think there would be a higher incidence of older vehicles in Townsville. Hopefully, the council might be able to provide some validation of that statement.

**CHAIR:** Mr Leavers, I understand the QPU was involved in trial of the Cartrack remote immobiliser. Could we get any information about that? Obviously if it is commercial-in-confidence then the answer would be no. Was that a good one or something we could use?

**Mr Leavers:** I believe it is, but that is still on the COAG agenda. As I explained before, it is quite complex when you look at the world automotive market. That technology is used in South Africa, where there are particular problems with not only car theft but also larger vehicles, especially in mining areas.

My view of the world and my vision is that in 2030 I never want to see another police pursuit. We could stop offending or a car of interest at a particular point in time—not outside Corinda State School but maybe on the Warrego Highway, in the middle of nowhere, where there is no risk to any other persons from violent offenders or other related crime. That is what I would like to see into the future. It is a vision, but we have to start somewhere.

**CHAIR:** I think it is a great vision. Someone appeared before us earlier to give us a briefing and they were concerned about line of sight with remote immobilisation. They loved the idea of the ghost immobilisers—that is, prevention rather than seeking to stop vehicles once they were going. I wondered if you had a comment to make about remote immobilisation. I think the example was used of stopping a car on the highway. I think you could put it into limp mode rather than stopping it. Would you seek to comment on that at all?

**Mr Leavers:** You do not want to stop a car immediately. It would go into limp mode or whatever other mode. I go back to the Maslin incident in 2006 out near Inglewood, near Goondiwindi. That could have been done differently. Stingers could have been put out. Now we need to use modern technology. I believe you can stop a vehicle safely to take away the risk to the entire community, the police as well as the suspects in the cars. Often we know that it is not just the driver who is committing the offences; there are other people in the vehicle who may or may not be involved in the commission of offences.

**Mr WALKER:** I am a big fan of immobilisers. I think it is a great idea. Seven per cent of vehicles do not have immobilisers. Thirteen per cent of vehicles that are stolen do not have immobilisers—they are the older style vehicles. Your document talks about unlocked homes, people leaving their keys in their cars at service stations, shops or corner stores. The technology in new cars is brilliant because you cannot start them without a key, but we have created another where they have to break into a house to get the keys or get the car while it is being operated. What strategies do we need? We talk about the ghost immobiliser being put on new cars over and above what is put on now. This is the thin end of the wedge where we are looking at immobilisers for the seven per cent of vehicles that are involved in 13 per cent of the offending behaviour. How do we get to the other 87 per cent?

**Mr Leavers:** There is always a role for community education. I take it back to something like a PIN for a savings card. You keep that discreetly. You do not have it as the first four numbers of the card, your phone number, your date or birth or things like that. I think there is certainly a role for community education in respect of this.

Those cars that do not have the immobilisation technology—I will be up-front—often belong to the battlers within our community. Unlike what the former coroner said about the XF Falcon—that is a pretty old car for younger people—although it might be worth \$2,000 or \$3,000, to the family it belongs to you cannot put a cost on that. That means that when that car is stolen or taken away the battler mums and dads cannot afford to buy another car. Their kids may miss out on going to sport. It has all these other societal issues.

I think we need to look after those who are vulnerable and less well off than the rest of us as well as others. A community education program is paramount, as we have done in many other instances. I believe you should be able to leave your house open, but that is not the way it is. When I used to live on the acreage I never shut the doors or locked them because of the environment I lived in. However, I think community education is important—encouraging people to put their keys away. A PIN is a secondary method that would certainly provide more security. I believe we will see substantial benefits. I am of the view: let's use technology at each and every opportunity we have moving forward.

**Mr WATTS:** I am interested in the trial which you said involves 20,000 people and costs \$5 million. I am wondering whether there might be an opportunity for savings in insurance. If a ghost immobiliser is fitted, obviously the likelihood of that car being stolen is greatly reduced and therefore you would expect that the insurance premium would reduce. I guess what I am trying to understand is how we reach beyond 20,000 cars. In terms of those that currently have an immobiliser, that is obviously being overcome by break and enter and obtaining the keys. Ghost immobiliser with a PIN solves that problem.

**Mr Leavers:** After this was installed you would do your business case and assess it over a six- and 12-month period. If there are certain reductions, I would like to see the insurance companies come on board and offer discounts in premiums to everyone who has an insurance policy. I believe they have a responsibility here. That would certainly be evidence based, which would assist them to give discounts to those people who have this technology fitted. I will hand over to Nick for further information.

**Mr Behrens:** That is essentially it in a nutshell. Economists refer to it as an externality benefit. Insurance companies would benefit from the pilot in having a lower number of individuals claiming for a vehicle theft. They would not be out of pocket themselves. If the pilot is successful then there may be an opportunity for the Insurance Council to join the fray to see what joint initiatives could be undertaken to further roll out a pilot of the compulsory installation of engine immobilisers.

Naturally, as Ian indicated, if there is a lower likelihood of the vehicle being stolen then certainly one would think there should be a lower premium attached to getting that motor vehicle insured. I think there are benefits that would be realised for many parties—not just government and not just the individual but also the insurance companies. They may well be quite keen to sit down and see what can be done.

**CHAIR:** The car I have automatically locks the doors as I drive off. Car-jacking could become a problem for people when they are driving. The immobiliser has done its job, but when the owner of the car pulls up at a set of lights, someone drags them out of the car and takes the car. The immobiliser would not work in that situation—that is, to re-immobilise the vehicle. I suppose that is where the remote aspect could come in. Older vehicles would not have the automatic locking doors on drive-off feature. You are saying that we should be using every bit of technology—retrofitting it as well. Could you comment on that?

**Mr Leavers:** There is always a risk with anything and people will look for other opportunities. If we take away the opportunity for these people committing these crimes and causing harm within the community, it is a step in the right direction. We do advocate for people to lock their doors and keep their windows up when they drive. It is commonplace to have air conditioning now. That is part of protective behaviours across the board for people. Community education is important.

I know some devices can be controlled by an iPhone. If you still had possession of your iPhone you could activate that accordingly. There is always risk. It is a bit like your PIN: if someone takes your card and demands the number, they will get the number. We have certainly seen a reduction in that with the use of PINs when compared to other countries that have not embraced that technology.

We have to start somewhere and move forward as we can. There is a risk with anything, but I think community education is paramount. People really need to be aware of their own security and lock their car when they go to the shops. Some people leave their keys in the car at the petrol station. That is a no-no. I still see vehicles at the shops with the windows down and doors unlocked. With the new technology in some cars, the vehicle automatically locks within a certain time or when you are a certain distance away. The benefits far outweigh the negatives when it comes to using this technology.

**Mr Behrens:** It is referred to as the displacement effect. When we had the rollout of engine immobilisers in Australia there was a shift in behaviour from stealing a new vehicle to then honing in on an older vehicle. As the vehicle fleet has modernised, it is only natural that we have progressively seen a shift. New vehicles now account for the bulk of thefts in Queensland and Australia. From a statistical point of view, 70 per cent of all vehicle thefts are through keys and 54 per cent of those are accessed in the home. Ian is right: in an overall sense there would be a reduction in the number of thefts occurring, but you may have a displacement effect in that the seriousness of the offence through hijacking might be more prominent, if that makes sense.

**CHAIR:** I suppose where I was going with that is that community education would be a very valuable component of a proposed trial.

**Mr BOYCE:** With respect to Townsville, there is obviously a demographic of young people there who are offenders. Is there enough money being spent to engage this population of young offenders and keep them active and busy and educate them in the first instance?

**Mr Leavers:** Recently I ran a national symposium on youth crime. It was the first of its kind. I had stakeholders from across Australia. At the end of the day, with youth crime—and having worked in that area for many years—we cannot arrest our way out of it. Other people need to take responsibility for that. That is paramount. We will be producing a paper which we will be submitting to all levels of government. We all have a responsibility when it comes to youth crime. We must act a lot earlier than we do now. By the time they enter the criminal justice system at 10, 11, 12 and 13, it is far too late. I think we have to get in earlier. It has been referred to as the kindergarten cops, which is probably disrespectful. We need to get into families when their kids are three and four and do what we can to try to divert them away from that type of life.

I would suggest that a lot of us in this room have been fortunate enough to have good parents who have given us good values and good opportunities. Some of these people do not get that. To qualify that, for those who commit very serious crimes there is no other option but detention, but I

think there is a lot we can do in the preventive space for that 10 per cent of hardcore people. It is not just the case in Queensland; it is replicated especially in the Northern Territory and Western Australia. We have similar types of environments that we live in. There is more work to be done there.

That is why I took the initiative to do that. I had people from various points of view there—academics, those on the left, those on the right; it was attended by all political parties, the shadow Attorney-General and the shadow police spokesmen as well as Minister Mark Ryan. There seemed to be a general consensus that we need to do more in the preventive space. Other government organisations and NGOs have a role to play, as do the families. Some families, to be truthful, are absolutely irresponsible. They have no care of the child. Sadly, some children become a product of their environment, and we need to look at what we can do as we move forward. Otherwise, we will never see an end to that generational cycle.

We need to get change. Will it happen overnight? Absolutely not, but if we can slowly reduce that and work with other organisations then I think we can achieve it. That is probably another area to go into again, but I am of the firm view that we have to start with the family and provide support, because some people certainly do not have the opportunities that you and I have had in life. I am not being soft there, but I have to look at the whole picture. As others have said, we will never arrest our way out of it. I look at the US, where you can get 200 or 300 years for committing serious crimes, but that has not stopped murder and serious crime in the USA. We need to look to other options.

We look forward to sharing the paper that we are doing. It is an initiative that no other organisation has ever taken on board, but I see it as a responsibility because the men and women I represent are dealing with this firsthand across the country. It is not just the offenders; they are also dealing with the victims. That takes a tremendous toll upon the men and women I represent, because they see firsthand what the victims go through and how it can destroy their lives. I think we have a responsibility. I have to start somewhere. I do not suggest I have all the answers, but I have to move forward into the future.

**CHAIR:** Time has beaten us. I thank you both very much for your participation today. There will be a transcript available in due course. As we progress through this inquiry, if we have any further questions is it okay to send some questions on notice through to you?

**Mr Leavers:** We are more than happy to do whatever we can to assist.

**CHAIR:** If the paper that you are talking about becomes available during this inquiry, we would love to see that as well.

**Mr Leavers:** We are happy to share that. We are working through that at the moment. As I say, it has input from many different experts across the board and I think it is really important. We are being objective.

**CHAIR:** I think I speak on behalf of the committee when I say that we would really appreciate any further correspondence during the course of this inquiry. Thank you both very much for your time today.

**Mr Leavers:** Thank you to everyone on the committee.

**MANNING, Mr Russell, Principal Technical Researcher, RACQ**

**TUCKER, Mr Joel, Manager, Road Safety and Technical, RACQ**

**CHAIR:** I now welcome representatives from the RACQ. Thank you for your attendance here today. Would you like to make a short opening statement?

**Mr Tucker:** Thank you for giving the RACQ the opportunity to appear before the committee. Part of the RACQ's role as the state's peak motoring organisation is to provide a strong voice for our more than 1.7 million members and their families. As Queensland's largest club, the RACQ is proud to be Queensland's advocate for safe, affordable and sustainable mobility. As you already know, all facets of road safety are a very important part of the RACQ's advocacy work, and we are pleased to be able to provide comments to the inquiry into vehicle safety, standards and technology.

The committee may not be aware that the RACQ has been closely involved with many of the issues this inquiry is looking at. For instance, the RACQ was represented on the police working group that recently looked into remote vehicle immobilisation. We are a long-time stakeholder of the National Motor Vehicle Theft Reduction Council. We were responsible for raising the issues that resulted in the recent changes to the written-off vehicle rules. We are currently providing comment to the review of the Queensland safety certificate inspection code of practice. The RACQ was a member of the working group that reviewed the national code of practice for light vehicle modifications prior to its Queensland introduction. We also regularly provide comment to the Commonwealth about new and proposed vehicle standards. We trust that our knowledge of the issues will assist the committee and we welcome any questions that you have for us today.

**Mr BOYCE:** In respect of young offenders and the demographic that surrounds them and their backgrounds, does the RACQ believe that the government and government bodies are doing enough in a proactive space to engage those people and stop them from stealing in the first place?

**Mr Tucker:** It is a really difficult issue. Youth crime in general is something that I think is very complex. We do not have criminologists, social workers or individuals like that on board at the RACQ to be able to develop answers on that. Obviously, crime is an issue and it is something that we would like to see government do more on in order to get the results that we want, which is less of it. However, we are unable to highlight specific areas where that can be achieved, based on the information that we have available to us. We think the courts do a great job with what they have. We are not going to say that this type of sentencing should occur in a certain way, because that is not something that we have expertise on in-house.

Having said that, though, one thing that did come up within this inquiry that we think would help is the reintroduction of some sort of diversionary program for people who are involved in motor vehicle crime to help give them skills, such as the U-Turn Program that we mention in the submission. That was wound up under a previous government. Russell, did you want to comment any further on that?

**Mr Manning:** As Joel said, this is not our area of expertise; however, we regularly get our members saying to us that something needs to be done about it. We absolutely agree: something does need to be done about it. We were quite disappointed that a previous government wound up its relationship with the National Motor Vehicle Theft Reduction Council. We lobbied the government very hard to get that reinstated, which it was about two or three years ago. We would really like to see the U-Turn Program reintroduced and probably expanded.

Having been at the youth crime symposium a couple of weeks ago, what really became very clear to me was that traditional methods of incarceration are not working for this group. They need much more hands-on assistance to deal with their social issues and whatever they have and give them other sets of skills that they can actually use to gain employment.

**Ms PUGH:** I want to ask about your average RACQ member. Would I be right in thinking that they tend to have newer vehicles because they have the income to have what some would say, while not a luxury service, is a kind of add-on in the grand scheme of things? Would I be incorrect in that assumption? Do you have some with older vehicles because they bought the vehicle maybe when it was newer and have held onto their membership through that entire time?

**Mr Manning:** That is a bit difficult to answer, because the membership structure of the RACQ has changed in the past couple of years. You can actually be an RACQ member just through your association with the bank, for instance, and not actually even own a car. My gut feeling is that our membership would probably be pretty representative of the public in general. You will have a mix of people with newer cars and people with older cars as well.

**Mr Tucker:** We also have our young members who generally buy second-hand cars. We have the free-to-go members. I think the average age of the vehicle fleet is around 10 years.

**Mr Manning:** About 10.6 years.

**Mr Tucker:** Because of that, the RACQ has a big chunk of the Queensland population as members so that average age would be, as Russell said, fairly representative.

**CHAIR:** As someone who prefers older vehicles, I am an RACQ member too, for the record. In your opening statement you referred to written-off vehicles. I will also declare that I am currently repairing a repairable write-off and have done a few in the past. Can you expand on your opening statement about potential changes to that system?

**Mr Tucker:** I will refer that to Russell because he has led our work in that space.

**Mr Manning:** I wrote the discussion paper at the start of the whole thing. Exactly what did you want me to cover?

**CHAIR:** The proposed changes to the written-off vehicle rules.

**Mr Manning:** I will be up-front and say that I have not been given anything official out of TMR about what the changes are. I have had some informal discussions about what is likely to happen. Our original proposal was that we wanted to bring Queensland into line with other states that have a much more robust inspection process in place. If you look at how other jurisdictions do it, there are interim inspections to look at, say, how the welding has been done and how things have been repaired—how structural damage has been repaired. Queensland does not have that. Basically, the whole process is based on the safety certificate, so if it looks good from the outside then it is fine—and we know that it is not. Other jurisdictions require checking of body alignment and wheel alignment and certification that the supplementary restraint systems, airbags and that sort of thing are all working. We do not require any of that in Queensland. To be honest, it is fairly well known that Queensland is the place to go to get a repairable write-off cleared, because it is much easier than in other jurisdictions. That was a problem.

**CHAIR:** For the record, one of them was flood damaged and required a new computer and the one I am currently doing has a tiny bit of hail damage that you can replace with new panels.

**Mr Manning:** And that is fine because they are relatively minor repairs. It is when you start getting into major structural repairs that it becomes a real issue, because a lot of the people who are doing this do not actually have the skills, the equipment or the knowledge to repair them properly.

**CHAIR:** You are talking about having a reputable panel beater. More of an inspection regime is what you seek?

**Mr Manning:** Yes, exactly. In saying that, we do understand that, if you are going to set up a really complex inspection process, whoever does that is going to expect an appropriate return on investment. Therefore, it is going to be a user-pays system and it is going to get really expensive to get a vehicle cleared.

**CHAIR:** I remember doing a left-to-right-hand conversion in a car and the inspections that happened with that were very comprehensive at every stage.

**Mr WATTS:** I am currently in the UK. I have a young nephew who is learning to drive. He was telling me that over here they have a black box that is often fitted to cars for young drivers and it reduces their insurance premiums because it records all of their speed, braking and other information. If it gets turned off more than three times, it is no longer valid and their insurance premium goes up. Is the RACQ aware of it and has it been considered or used at any time in Queensland or Australia?

**Mr Manning:** Are we aware of it? Yes, we are. Is the insurance company considering it? I do not know, because we do not work for the insurance company. I suspect not. I understand that the UK system was really all about trying to reduce insurance costs for new drivers because it became at one stage pretty much prohibitive for them.

**Mr WATTS:** The situation over here is that it is related to liability in terms of the cost of the car being damaged. It is very common practice here for someone who has newly acquired their licence to fit one of these devices. It greatly reduces their insurance premium. I am interested if it would have any impact. Maybe it is the Insurance Council that we need to ask that question of. I am interested in that piece of technology because its other effect is that it stops dangerous driving behaviour in young people because everything is recorded.

**Mr Manning:** The point I would make is that most people do not appreciate that later model cars record a lot of that information anyway. It is just not easily accessible. In most cases you need the manufacturer to extract the information. That has proven to be quite useful in trying to sort out staged accidents and those sorts of things. We are going to see more of that technology appearing. The black box type technology that we are talking about will become more common. I think the issue

that needs to be discussed—and I am sure the police have already raised this—is being able to access that information. I know that that was raised in the public hearing with the police and the union earlier.

**Mr Tucker:** I am aware that some insurers have looked at the 'pay how you drive' type system, where you might install an app or something like that. The black box is a similar type of thing. Your phone can also record acceleration, where you go and all of that sort of thing. I am aware that some insurers have looked at that in terms of the products related to that. Whether they want to go down that path or not I cannot answer, but I am aware that Australian insurers have looked at that type of technology.

**Mr WALKER:** I understand that you are not from the insurance arm of RACQ, but has there been a conversation in relation to incentivising immobilisers when people purchase second-hand cars or new vehicles?

**Mr Manning:** Probably, but I do not think we can add anything to that. We have certainly talked about it in our group. I do not know what discussions have been had with insurance. You are right: if you are going to do that sort of thing, there needs to be an incentive. The point I would make, though, is that there probably are not that many cars that do not have immobilisers these days because they have been mandatory on most new cars since 2001.

**Mr WALKER:** I will reframe that question, if I could. What about ghost immobilisers? Once they get the keys they can activate the vehicle. I must also declare that my wife works for RACQ—it is on my declaration—in pet insurance. She is not in the car sector. What about ghost immobilisers?

**Mr Manning:** I would think that we have not had that discussion because that is a topic that has only come up fairly recently.

**CHAIR:** You mentioned something earlier that piqued my interest. Could you expand on what the U-Turn Program was about?

**Mr Manning:** The U-Turn Program was running in Logan. It was basically a workshop that was set up. I have to say that I do not know who set it up, but I have recently met one of the people who worked in it. They would take rundown cars into the workshop. They selected offenders—it does not work across the board because some are not interested. For the ones who actually have an interest in cars, they try to build a skill set for them that makes them employable. They would take a rundown car, they would fix it and then they would donate it back to the victims of crime. There was an element of restorative justice in there as well. By all accounts it was a very successful program.

**Mr Tucker:** It ran for a number of years.

**CHAIR:** We have seen similar in construction. When kids in the area build something for the Country Women's Association, they are never going to vandalise it. That sort of thing works well.

**Mr Manning:** I have just been reminded by Geoff that his organisation was involved in U-Turn and he can expand on that.

**CHAIR:** That will be excellent.

**Mr WATTS:** I am curious as to how difficult or simple it would be to fit ghost immobilisers to older cars and/or new cars. Again, it is trying to understand whether the cost would be uniform across all types of cars or whether it would be different because, obviously, in a modern car they can plug it into a computer. An older car may not even have a computer. I am trying to understand the technical issues around fitting a ghost immobiliser.

**Mr Manning:** I think the actual fitment is probably not too much of an issue. Older cars will obviously be easier because there is less to deal with. The technology in a newer car would increase the level of difficulty. I think, though, that the issue is whether fitting those types of immobilisers would stack up from a cost/benefit point of view. We have never done the work on it. I know that the Police Union employed someone to do it. I have only briefly looked at their figures. I do not know. I can understand that you might want to run a trial and have a look and see how effective they are. The point is, though—and I did make this point in our submission—that securing keys is low cost and very effective. That might actually be a better option.

**CHAIR:** Yes, I tried to get a rotor button for a Ford Crossflow. Sorry, that is not relevant to this.

**Ms PUGH:** We were just discussing how the vast majority of cars are stolen using their own keys. In my local community the police do a lot of work trying to educate the local community about the importance of not leaving your keys in your car and locking your front door to make it just a little bit harder. Obviously RACQ is approaching it more from a positive space than a deficit space because Brisbane

you are working with people for whom vehicle thefts have occurred. Have you found any success with any particular methodologies or campaigns around encouraging people not to leave their keys in their car or other risky behaviours that might—

**Mr Manning:** In a word, no. We probably publicise this a couple of times a month through our media outlet. We just do not seem to be getting a lot of cut-through with that. I think the figures have remained reasonably steady. Geoff will be able to elaborate on that more than I can.

**Mr Tucker:** In terms of engagement with the social media content et cetera, that would be something that our media team would monitor. We do not know whether that results in less theft or not. We do not have that sort of statistic.

**CHAIR:** I have a question about immobilisers in general. We have heard about more cons than pros for remote immobilisation because of what could happen with a remote immobilisation. Where the vehicle is could be precarious. Would you care to comment on remote immobilisation?

**Mr Manning:** There are systems available. I am only aware of one original equipment system, and that is General Motors OnStar. There could be other ones but I have never see much promotion of those. It is entirely possible that other manufacturers can do it but do not actually promote that. The OnStar protocols are very strict. They will only shut down a car if it is in sight of a police officer. They have a process where they can track the vehicle. They guide the police to it. Then the police officer rings the control centre and says, 'I am in sight of the car.' They will say, 'Okay. We will flash the indicators.' He confirms that that is the car they are following. He will then say, 'It is safe to shut it down.' Then they disconnect the accelerator so it slows down—so brakes, steering and everything else remains operative. They can shut it down completely once it is safe. The police then take action.

The aftermarket systems that I have read about—I have to say, I have only read about them; I have not actually seen one—seem to talk about, 'We will only shut it down if we can track the vehicle and it is going at low speed.' That is really not good enough, in my view. You could end up shutting it down in a particularly dangerous spot. You need to factor in the effects that has on other road users.

**CHAIR:** Someone suggested that maybe on a railway level crossing would not be the place to do that.

**Mr Manning:** Exactly.

**Mr Tucker:** Someone has to be able to talk to the car, too. Whoever is monitoring it needs to have a way to get that signal to the car that it needs to shut down. My understanding is that to do that you need to have mobile phone network connectivity. If you are in the middle of nowhere—and Queensland has a lot of remote locations—you will not be able to do that.

**CHAIR:** The member for Callide is very strong on that one.

**Mr BOYCE:** With respect to connectivity, if this sort of technology is put in place, the work that we have to do in regard to mobile service and internet service is huge. Are you aware of that?

**Mr Manning:** Yes, agreed. The other thing that really needs to be considered here is how often you would actually use it, because the cost/benefit of a very expensive system for occasional use may not stack up. I understand that there are some really high profile situations where it would be really beneficial, but I am not sure how many of those there really are. That is something the police can probably answer better than I can.

**CHAIR:** I had a question about your submission. I think I have declared all of my conflicts of interest. In comparing the annual vehicle inspections in Queensland and New South Wales, would you like to expand on the pros and cons? I am not asking for personal opinions, and I will keep mine to myself.

**Mr Manning:** Are we talking about the Queensland safety certificate as opposed to the New South Wales re-registration certificate?

**CHAIR:** Yes.

**Mr Manning:** Yes. There are a couple of different systems in place in New South Wales. If you are registering an unregistered vehicle there is a more comprehensive inspection and a higher cost inspection, but if the car is already registered and you are only renewing the registration it is a briefer inspection basically and a lower cost, so it is more a basic safety check—tyres, lights, brakes and that sort of thing.

**CHAIR:** And they have an annual inspection?

**Mr Manning:** Yes. I think it starts at five years.

**CHAIR:** At a five-year-old vehicle?

**Mr Manning:** Yes, I think that is what it is.

**CHAIR:** Would you have any stats on the comparative safety of the fleets in New South Wales versus Queensland?

**Mr Manning:** I have not. My understanding of it, though, is that it is not terribly different.

**CHAIR:** Okay. I will wipe the smile off my face.

**Mr WATTS:** In the UK they have a motor ordinance test, MOT, which is an annual inspection. It seems to be very popular with garage owners and various mechanics. I just want to clarify the statement you just made in terms of the safety of the fleet. Has there been any comparison with, let us say, the UK or other jurisdictions that have an annual safety test, over and above New South Wales compared to Queensland?

**Mr Manning:** I believe that Keatsdale looked at this. Keatsdale were an independent consultant and they were engaged by the federal government to look at the viability of annual inspections or periodic inspections—the correct term—a few years ago. I am pretty sure they did look at New Zealand and the UK as well, because they had quite onerous inspection regimes in place. Sorry, but it is too far back for me now to remember the detail of that.

**Mr WATTS:** That is okay.

**Mr Manning:** I would make a point, though, that the UK is a different situation in that their road conditions are much more severe than ours. They salt the roads in winter to get the ice off and that is pretty hard on the cars. Basically, in a lot of situations the bottom foot of the car rusts off after about five years so they become really quite dangerous. There probably is some justification for an increased inspection regime over there compared to our road conditions.

**CHAIR:** This inquiry will run over a period of time. As we learn more from more submissions, are you okay if the committee writes questions on notice to you, because no doubt we will have some?

**Mr Manning:** Absolutely.

**CHAIR:** There being no further questions, I declare this session closed. Thank you very much for your participation. You will be provided with a copy of the transcript. Thank you very much.

**Mr Manning:** Thank you.

**Proceedings suspended from 10.32 am to 10.44 am.**

**HARTMAN, Mr Peter, Chair, National Motor Insurance Committee, Insurance Council of Australia (via teleconference)**

**JOHNS, Mr Troy, Deputy Chair, National Motor Insurance Committee, Insurance Council of Australia (via teleconference)**

**KEIR, Mr Adam, Insurer Representative, National Motor Insurance Committee, Insurance Council of Australia (via videoconference)**

**LUNN, Mr Thomas, Senior Policy Manager, Insurance Council of Australia (via teleconference)**

**CHAIR:** I now welcome representatives from the Insurance Council of Australia. Would you like to make a short opening statement?

**Mr Lunn:** Thank you for providing the Insurance Council of Australia with the opportunity to appear at today's hearing to provide this opening statement. ICA members provide a range of general insurance products, including motor vehicle insurance. They also are licensed insurers for compulsory third-party motor injury insurance schemes, including the Queensland CTP scheme.

The ICA notes that one of the key areas of focus of this inquiry is the use of engine immobiliser technology to combat vehicle based crime, including mandating the retrofitting of this technology into vehicles and providing police with remote access to vehicles through this technology. The ICA queries the cost-effectiveness of mandating and retrofitting immobilisers into vehicles and whether this is a feasible or effective crime prevention option. The ICA also would not support any costs associated with this being assigned to insurers.

As outlined in our submission, motor vehicle repairs in Australia are of a very high standard. Multiple government inquiries have produced no evidence of any systemic safety problems with the quality of repairs, nor any issues with the safety of the fleet of cars operating in Australia. Similarly, in relation to road safety it is well established that factors like speeding, drink driving and driver distraction are what cause road trauma and injury. These factors, as opposed to vehicle repairs, are the fundamental risks faced by road users in Australia that need to be addressed to keep the community safe.

The ICA supports the current written-off vehicle register and the current damage criteria applied to damaged vehicles to determine whether they are capable of being safely repaired. However, the ICA does not support the proposed introduction of a ban on registration of repairable written-off vehicles in Queensland whereby every vehicle determined by an insurer to be uneconomical to repair but nonetheless still perfectly able to be safely repaired would be unnecessarily scrapped or used only for parts. The broader impact would be more vehicles going into landfill and a significant decrease in salvage values of written-off vehicles in Queensland, the cost of which would ultimately be borne by motor vehicle insurers and their customers.

A ban on the repair and re-registration of repairable written-off vehicles in Queensland would also not be an optimal or efficient way of addressing profit motivated vehicle theft, which has become more focused on the scrap metal markets and export of stolen vehicles as opposed to vehicle rebirthing. A ban on re-registration of repairable written-off vehicles in Queensland would also be at odds with all other jurisdictions in Australia except New South Wales and be a further step away from achieving desired national consistency in how written-off vehicles are managed in Australia. The ICA therefore submits that if the Queensland government seeks to address any perceived concerns regarding repair quality and safety risks associated with repairable written-off vehicles or any other vehicles this be addressed through improvements to Queensland's existing written-off vehicle inspection system process. We welcome any questions that the committee may have.

**Mr WATTS:** If we can reduce car theft, we potentially reduce a risk that insurance companies are factoring into their pricing of insurance. I am trying to understand the cost/benefit of an aftermarket ghost immobiliser in comparison to not doing that and how that might affect the cost of motor vehicle insurance in certain postcodes and suburbs where car theft may be higher. Can anybody comment on that?

**Mr Hartman:** It is not really an area that we have expertise in. It is not something that we have actually looked at. With immobilisers being in all cars most of these days from 2001, we would wonder whether the cost/benefit of actually fitting immobilisers would be justified.

**CHAIR:** It is a hypothetical question in terms of whether there could be a reduced rate in premiums. It is a question that keeps coming up. I thank the member for Toowoomba North for asking that one. It is not something the Insurance Council has looked at; is that right?

**Mr Hartman:** It is not something that we would see as a cost/benefit and it is not something that we are seriously looking at. It would be a matter for the individual insurer to have a look at.

**CHAIR:** I would like to expand on what you were saying earlier about the written-off vehicle scheme and your thoughts on proposed changes. You believe that there could be a change to get rid of the repairable write-offs? Is that where you were going with that? I am very interested to hear more about that.

**Mr Johns:** The repairable write-offs today form part of an ecosystem and an economy within the Queensland landscape. We have repairers out there who are licensed and qualified in repairing these cars safely. The important point to note is that the large proportion of cars that are totalled off on any given day by any insurer are done on an economic basis only—not on the basis that the vehicle is unrepairable. For most of these vehicles, at a point in time a decision has been made that it is uneconomical to repair. We see right now in the landscape that current model Mazdas are trotting out onto the road with a \$5,000 headlight in them. Two headlights are over \$10,000. It is not going to take very long for a car to have two broken headlights. That does not mean it is unsafe to repair; it has no other damage to the car than to the headlights. That is just one example.

An insurer will make a decision on it, with a raft of information in front of them, and decide on the day whether they repair or write that vehicle off. The process is that you then default to the criteria that sits underneath that to identify whether that vehicle can, once it is totalled off, be repaired or be deemed to be a statutory write-off and no longer repaired. That happens today. Further to that, you have a very effective process in most states where the re-registration of that vehicle requires certain criteria to be fulfilled. There certainly is not national consistency with that, and that may be an opportunity to strengthen that and align states—not just Queensland.

**CHAIR:** I have a friend who repairs vehicles. He got a BMW M3 from New South Wales that was a statutory write-off because the GPS system failed and he could not get another one. The vehicle was fine but could only be used on a racetrack or for parts. It is a big shame, yes.

**Mr Hartman:** Changing the current written-off vehicle legislation has a lot of unintended consequences. There are a lot of scenarios where there will be a lot of cars with very minor damage but, because on the insurance side it was not economical to repair, we total loss that vehicle. It takes a lot of vehicles out of the marketplace. Some of these vehicles do not get repaired. It changes the whole economy of used cars: there are fewer used cars available. It certainly takes the competition out of the marketplace as well as the repair industry.

I will give a simple example of a \$50,000 valued car with a \$35,000 repair cost. It is quite repairable but the insurer decides not to repair it. It is \$50,000 but a \$35,000 repair. For the repairable salvage estimate, we would probably get about \$15,000. If the legislation is changed so that no cars are repairable that are quite similar, we would expect the salvage to drop around that \$7½ thousand mark, meaning that we might have to repair that car. There is more negotiation; there is less competition. If we do total loss that car, there is a whole economy of repairers who still repair those vehicles. I question whether there is any evidence of unsafe vehicles being repaired. There is a lot to think about in terms of the consequences of changing legislation.

**Mr Lunn:** I am not sure if Adam from Youi might be able to expand on this, but I know that Youi has done some studies and it expects, if there is this change in place, that it will have some impact on the cost of premiums.

**Mr Keir:** From our experience—and if we overlay what happened in New South Wales when the legislation changed to the example that Peter gave with the reduction in salvage value being in the vicinity of 50 per cent—that is something that insurers obviously take into account when formulating premiums. Claims cost is a significant part of that, salvage being a part of that claims cost. With any change to that New South Wales type legislation, we would certainly see some challenges with maintaining the existing pricing structure.

**Mr BOYCE:** I am interested in your comments about components such as headlights costing so much money in that if two become inoperable in a minor accident the car becomes economically unrepairable. Is the insurance industry doing any negotiations with motor vehicle manufacturers in respect of creating these very expensive components that go into motor vehicles that write them off from an economics point of view when they become inoperable? That seems to be an unsustainable economic model to be pursuing. Could you comment on that?

**Mr Johns:** Absolutely. Each insurer would be doing different things and approaching their demographic or target market in different ways. It is an important point. Adam made a point about the reparability of motor vehicles and how that transfers through to the insurance cost of those vehicles. Manufacturers need to take care, because the cost of ownership on those vehicles can become prohibitive. We have seen that with more and more technology entering the market. It has been a problem for a couple of decades now in that the simplest technology change, depending on what that is, once it is involved in a minor accident, could be impaired or impacted. That means that the end cost of that repair process can become no longer viable.

**CHAIR:** New South Wales requires that light passenger vehicles have an annual safety inspection and we do not. Does the insurance industry have any research on whether there is a comparative difference in the safety of the respective vehicle fleets as a result of the different approaches?

**Mr Hartman:** Not that we are aware of.

**Ms PUGH:** It has just occurred to me that we have the Insurance Council before us, but this is something I might raise separately in committee. Do you have figures around the number of older vehicles—whatever you classify that as; your classification might be different from ours—that have either engine immobilisers or some other kind of deterrent device fitted post market in Queensland?

**Mr Hartman:** We would not have any information on that, other than the fact that from 2001 all vehicles have immobilisers fitted.

**CHAIR:** Something came up earlier about carjacking and that if you were to fit ghost immobilisers it may lead to other forms of crime. Has there been any research at all to do with that?

**Mr Lunn:** We do not have any direct information on that. It might be something that the theft reduction council is able to give you some more insights on.

**CHAIR:** I have a question on application programming interfaces, which are mentioned in your submission. Could someone expand on that and explain basically what it is and how it would assist with the administration of written-off vehicles?

**Mr Keir:** In relation to the API, application programming interfaces, it is purely a way of ensuring the accuracy of data that insurers submit when a vehicle is written off, with the idea to make that as accurate as possible. There is a lot of consistency now between systems that some insurers use so there is an opportunity, if we could open up a discussion with transport authorities, to directly link in with that written-off vehicle notification process. There are varied ways in which that happens now. Whenever there is an element of data entry—or when it is submitted on an assessment report and then somebody else may input that information into another portal—it can introduce errors, so the idea was around having it more seamless and streamlined to ensure the accuracy of written-off vehicle systems.

**CHAIR:** Does any other jurisdiction use that or anything similar?

**Mr Keir:** Directly into the transport department systems? Not to my knowledge, no.

**Mr Lunn:** I understand Western Australia use that system and they are looking at similar kinds of changes there. I am not sure if there are any other jurisdictions—not New South Wales. We can take that on notice and find out, if you like.

**CHAIR:** Thank you very much.

**Ms PUGH:** I know that when you do their quotes for insurance the idea is to ask a lot of questions to get a more specific and detailed quote. If somebody had retrofitted an engine immobiliser to their older vehicle, would that be the kind of thing, theoretically, that would weigh favourably? When I did my house insurance quote a number of years ago the questions were super specific—like, ‘Do you have gum trees close to your house?’ and ‘How close are they?’ I am just wondering if this could similarly be one of those factors that is favourable when you are looking for insurance.

**Mr Keir:** Considering this is not really my area of expertise, I am not really able to comment. What I can say, though, is that the percentage of vehicles that are involved in a collision, across the claims base generally across the industry, is upward of 92 to 93 per cent, with the remainder made up of theft, fire and other aspects. It would have to be taken into consideration by underwriters and actuarial analysts.

**CHAIR:** Would anyone care to comment on remote immobilisation? We have heard a lot of pros and cons for remote immobilisation of vehicles versus ghost immobilisation and other techniques.

**Mr Johns:** Listening to some of the earlier commentary around the dangers and risks involved in that, I think you would really need to do a benefit study to understand what you were getting involved in and what technology you were potentially introducing into a very wide fleet. There was even commentary around whether you plug it into an early carburettor car versus a modern car that has a certain diagnostic plug that is now uniform, but you do not have to go back far to find that that was not the case. There are a whole raft of issues to consider.

**Mr WATTS:** The answer a moment ago talked about 92 per cent being for collision. I am wondering if that is based on cost or incident. What I am looking for is the cost saving from preventing a theft and whether the actuaries have any numbers around that. You made the comment that eight per cent was theft.

**Mr Keir:** Just to clarify, it was not eight per cent that was theft. Ninety-two was generally what makes up the claims base for collision, in our experience. The remaining eight per cent is theft, fire and other incidents of a smaller, less severe nature. I am talking about claims frequency, not cost.

**Mr WATTS:** Thank you.

**CHAIR:** We will end this session. There is one question on notice. As this inquiry progresses, would you be open to us sending you some further questions on notice for the benefit of the committee?

**Mr Lunn:** No problem at all.

**CHAIR:** Thank you all for your participation. You will be provided with a copy of the transcript of these proceedings in due course.

**Proceedings suspended from 11.09 am to 11.15 am.**

**HUGHES, Mr Geoff, Chief Executive, National Motor Vehicle Theft Reduction Council Inc.**

**CHAIR:** Thank you very much for coming along. I invite you to make a short opening statement. If you could elaborate on previous issues we would appreciate it.

**Mr Hughes:** Yes. Forgive me for making notes when the discussion was going on, but a number of issues have been raised whilst I have been here this morning that we have some knowledge of that hopefully we can share and we can help the committee.

**CHAIR:** We would appreciate that.

**Mr Hughes:** First of all, thank you for the opportunity to further assist the committee with its examination of this important crime issue. By way of introduction, my organisation is a not-for-profit joint venture of state and territory governments and the Insurance Council to develop and implement strategic responses to vehicle crime nationally. Our members include state and territory police services, major insurers, all the motoring clubs such as RACQ, vehicle importers, motor trades associations such as the MTAQ and Australia's road agencies such as transport and main roads, so we are a broad church.

Over the past decade we and our partners have helped reduce vehicle crime across the nation by more than 60 per cent, so that is a very significant reduction. To underscore our authority, we collect more than 140 bits of data relating to every vehicle theft reported to a police service nationally. In 2020, for example, we carefully analysed more than 49,000 theft incidents looking for characteristics that point to both the mode of theft—so how the vehicle was acquired—and its likely end fate based on whether it was recovered or not and, if it was not recovered, how it might have been converted into cash by profit motivated thieves. We use a decision tree that was developed with academic, insurance and police experts to ascribe a probable end use to every unrecovered stolen vehicle based on the vehicle's age and value, whether it has a world market or a domestic market only—and I will speak more about the export of stolen vehicles and parts a bit later—and whether it is insured and its financial encumbrance status as a possible indicator of a fraudulent theft claim.

Currently around six in 10 stolen vehicles are recovered in under seven days. We have seen in many parts of Australia the time to recovery decrease. If we were having this discussion a decade ago, that number would have been closer to eight in 10. It is now six in 10. Vehicle crime in 2021 is more complex than ever and the landscape continues to change, with new threats and challenges that were not present even as recently as just five years ago.

Increasingly, vehicle theft is just not a single crime; it is now the centre of a more complex mix of high-harm, high-impact offending that may involve: significant road safety risks, as you were only too aware here in Queensland at the start of this year; other crimes against the person; subsequent property crimes; and a wide range of fraudulent activity in respect of personal identity finance and staged collisions. Next month we hope to conclude, in collaboration with Queensland and Victoria police, the first ever in-depth analysis of the use of stolen vehicles in second and third high-impact, high-harm crimes. To my knowledge, it will be the first time a study like that has been undertaken anywhere in the world.

Given the complexity, we therefore welcome the Queensland parliament's interest in looking at how technology can play a further role. With key theft via residential burglaries, as I think others have said before, we would say that seven in 10 vehicles are stolen with their own key. More than half of those are directly following a residential burglary and another quarter are from the street adjacent to the home anyway, so they are stolen from the property as opposed to the street adjacent to the property. If you roll those numbers up, we are saying that three-quarters of all stolen vehicles are associated with theft from or around the home, and we think that has some important messaging for home owners and motorists obviously.

You will note in our submission that we are not advocates for a couple of significant things, and they are remote engine immobiliser technology. I will not go over the reasons, but I agree with all of the technical assessments that have been made to date that the technology just simply is not mature enough for reliance on in the medium term at this point and will quickly be overtaken in our assessment by connected vehicles anyway, where you will be able to track and identify where they are without having to engage in any form of pursuit.

Immobilisers are a good example of the length of time it can take to penetrate the market with a new technology. In 2001, when it became an Australian Design Rule that all new vehicles supplied to the market had to have an Australian Standards equivalent immobiliser fitted, our estimate was that about 30 per cent of the fleet had existing immobiliser technology. Now, 20 years later almost to Brisbane

the day, we are still somewhere in the middle. Our estimate is that about 95 per cent of the fleet has an Australian Standards immobiliser or after-market equivalent. The after-market data is a bit of a challenge, so we have to make estimates about the penetration of after-market fit-outs.

We are also not an advocate of the mooted ban on the re-registration of light vehicle write-offs, for all the reasons that Tom Lunn from the ICA outlined before. Emerging technology creep and the cost of reparability of modern vehicles is a major issue. In a common car like a Volkswagen Golf—it is a category killer in that small car market—a very light frontal accident, if it damaged the headlights and the LiDAR and radar systems that are at the front end of that car, means it will be a total loss straightaway. As I think Tom tried to explain, that total loss decision is not a decision about reparability, safety or relative damage even; it is simply on the value proposition for that policy: is it economical for them to repair it and return it to the owner or is it more cost-effective for them to determine it a total loss and pay out the insured? It was my organisation that developed the criteria that are applied in that test, so I am happy to field any questions about that. I know that it seems like a bit of a black art to those who are not familiar with them, but I am happy to take questions on that issue.

If it were proposed to go down that path, we would advocate that we should all have some better empirical information to go ahead with them. What we would recommend is that a structural repair expert be embedded in the Queensland inspection system for a period of, say, six months to get a real-world picture of the standard of repairs that are being presented, because we have certainly not seen any published empirical data that suggests a properly repaired reparable write-off poses any significant risk. In fact, you will note from our submission that we commissioned an independent audit of the pool of RWOs being prepared for auction—and I accept that that is before the repair process commences—but our technical experts were of the view that, provided you are a competent repairer, you follow the manufacturer's specified method of repair for the type of damage that the vehicle sustained and you use good quality parts, they could all be perfectly and safely repaired.

Having said that, we do support RACQ's suggestion that sellers of RWOs should have to disclose the vehicle's status to would-be buyers. We think that is a good middle ground in terms of consumer protection and would enable a prospective purchaser to make their own decision about the level of technical inspection that they need to apply to the vehicle to satisfy themselves they are buying a vehicle that they would be happy to drive. We have done some field-testing research in the past about what consumers think about that knowledge that a vehicle has been a reparable write-off previously, and the overwhelming majority say that if they knew that they would look for another vehicle. I think there is more than one way to address the perceptions that some of these vehicles pose a consumer issue for subsequent buyers.

In respect of profit motivated crimes—these are the vehicles that go missing altogether—there is clear evidence of organised criminal networks operating in the vehicle recycling and scrap metal sectors that are also involved in a range of other serious criminal activity. Therefore, our focus—and we recommend a focus in Queensland—should be on reform of the scrap metals sector and curtailing stolen vehicle exports. We are currently doing some work with Queensland stakeholders in both of those areas.

I will come to observations on what I heard earlier this morning, but I want to touch finally on the youth offending issue. I understand that this committee's terms of reference are really technically based rather than human factors based, but the U-Turn Program, which Russell referred to before, was a joint initiative of our organisation, the Queensland police and the YMCA with a little bit of help from the Commonwealth in respect of funding. We had three trial sites operating at that time in Australia—here in Logan, in Hobart in Tasmania and in Perth in Western Australia—and the Logan site was by far the best performing. It was a really great program. Our funding had a limited time. We invested in it to try to prove that the model worked and then it would be up to others to fund it after that. Unfortunately, my perception is that, due to a miscommunication between police and I think the then department of communities, which police were expecting would fund it on a forward basis, it fell through the gap during the budget preparation cycle and unfortunately the program closed.

I know that youth offending has been a particularly sensitive issue in Queensland this year in particular. Whilst the number of youths offending is lower than it was a decade ago, a small number of high-rate recidivists are causing considerable community harm due to the performative nature of their offending—boasting about it on social media, doing crazy stunts in cars on roads. Earlier in the year I was interviewed by a TV station that showed me footage of a group of four young guys, I think, driving a high-powered SUV on an arterial road somewhere in the south-east of Queensland and overtaking cars by pulling into the emergency stopping lane next to a bridge. That is about as dangerous as you can get. That is one of the distinct changes in youth offending: that sort of extreme driving behaviour certainly was not evident 10 years ago and it is becoming more frequent.

We understand that it has been a contentious issue and that there is a debate in the community about tougher sanctions and the reversal of the presumption as to bail for certain offenders. Whilst that may resonate with the media driven debate, there would not be an independent youth crime expert in the country who would advocate that pathway. The problem is much more nuanced than that. What is needed are interventions that can refocus young offenders on the benefits of developing meaningful pro-social networks and particularly, in our view, employment via the development of in-demand trade skills.

Right now in Victoria there are more than 50 former serious offenders actively engaged in apprenticeships in the collision repair sector, which is helping fill a desperate need for young, skilled workers. They are graduates of a joint venture between the NMVTRC, Mission Australia and the Suncorp Group. We would urge Queensland to consider such an approach in the mix of responses to addressing youth crime. I am sure you have many questions. Do you want me to deal with the list of issues that we have discussed?

**CHAIR:** Yes, please.

**Mr Hughes:** First of all, there is the penetration of immobilisers in the fleet. As I said, our estimates are that it is upward of 95 per cent. The prospect of getting those last few that own very old vehicles—and sometimes it can be problematic to interfere with the electricals in order to fit an Australian Standards immobiliser—is very marginal. Our experience in the early days, when the immobiliser number was around 30 per cent, was that the gap between what a consumer expects as an incentive to get them to act and what an insurer can afford to give away in premium is just too large. I think you heard Troy say that currently vehicle crime is in that mix of other insured events that result in eight per cent of frequency. There is not a lot of fat there, because vehicle crime has reduced by 60 per cent over the last 10 years. Our research indicates that consumers would expect a discount approaching 20 per cent, so there is a big gap between what could be given away as opposed to what would cause you to act as an individual. The other challenge for incentive based programs is that, even if they are wildly successful, our understanding is that the take-up rate is only around 12½ per cent anyway, so you are not commensurately reducing your risk with such a low take-up rate.

In relation to Queensland Inspection Services and written-off vehicles compared with other states, we have been advocating for TMR to elevate the vehicle safety element of that inspection process for some time. In other states it is given equal weighting, so it is both an identity check and a safety check. In Queensland it is really just an identity check that QIS undertakes. That is why we think if the state government was to go down the path of further restrictions on light written-off vehicles then we all need a better empirical base to be making that judgement on. We can recommend technical individuals who could undertake that assessment alongside the QIS inspection process. That would give us all a better factual base to move forward from.

In relation to vehicle condition as a contributing factor to crashes and the value of annual inspection processes, I have unfortunately been around the national registration table for a long, long time. My understanding—and Austroads, which is the collegiate of all the road authorities, may be the best point of contact for the actual report that found this—is that a study towards the turn of the century, which sounds like a long time ago, found that vehicle condition is a factor in only about two per cent of all crashes. The overwhelming factors are alcohol and drugs, inattention and road conditions—those sorts of things.

There was a discussion about the Ghost immobiliser as a mechanism. That is a particular brand of device as well as a description of a general class of device. We have had the actual brand of the device independently evaluated and there is a report of that on our website.

We also have a report on the cost of replacement parts that shows that a basket of just 17 components of the most commonly replaced parts in a crash can equal up to 156 per cent of the vehicle's unitary value. Worldwide there is a network of insurance research centres that look at the reparability of vehicles and give feedback to vehicle manufacturers all the time. One of the challenges is that consumers and regulators worldwide want safer and safer vehicles. There are autonomous braking systems that are radar based and those sorts of things. They require expensive technology to deliver and they cannot stop all crashes. That is the challenge. I am happy to provide the secretariat with links to the things that I am referring to.

In relation to consumer awareness, which I think has also been a discussion, we work with local government in hotspots to try to deliver what we call the 'Pop. Lock. Stop.' message: pop the keys out of sight, lock your front door and we can stop these sneak thefts. As Russell said, there is a pretty determined consumer element that says, 'Hang on, don't tell me what I need to do. Do

something about the people who are breaking into my home,' and that group is proving very resistant to get through to. We are doing some further work with Monash University and Neighbourhood Watch in Victoria to try to speak to people who have that sort of top-of-the-hip response to see whether there is a trigger, because it is a matter of habit. We are not saying 'buy a key safe and bury it in the back garden' or anything like that; just do not leave them in clear view near doors and windows and you can really mitigate those risks very significantly. I am happy to take questions beyond that.

**CHAIR:** I will pass comment on that from discussions at my local Neighbourhood Watch and Crime Stoppers about the shopping centres—the handbag in the trolley with the keys right there. It is not just the home.

**Mr Hughes:** Gyms are another soft target.

**CHAIR:** I have a question going back to the repairable write-off. We heard earlier about Mazda headlights that cost \$5,000 each. The aftermarket parts industry would have to be able to—I probably should have asked the insurance—

**Mr Hughes:** Are you wondering what sorts of parts are used in a crash repair?

**CHAIR:** Yes. Aftermarket parts at less than half of the cost—

**Mr Hughes:** Their obligation contractually is to restore the vehicle to its pre-accident condition. It depends on the age of the vehicle, because after about eight years those original equipment parts are no longer available. It is at that point they will start looking at using quality recycled parts and, after that, parallel parts if there is nothing else. Their obligation is to return the vehicle to its pre-accident condition. If you are the insured, you expect OEM or at least good quality recycled parts. That is the challenge.

**CHAIR:** That helps me with my current repair—not use aftermarket parts.

**Mr Hughes:** That debate about the affordability issue might be able to be had, but most insured would go for OEM parts. The expectation would be, 'My vehicle's going to be repaired with parts supplied by the people who made the vehicle.'

**CHAIR:** I was only thinking of lights and panels and things like that rather than computers and other componentry.

**Mr BOYCE:** I was interested in the data you are collecting in terms of opportunistic car theft, so young offenders stealing cars and going for joy rides versus professional car thieves who are stealing high-end cars for parts.

**Mr Hughes:** They are stealing all sorts of cars.

**Mr BOYCE:** Whatever. Is there data on that and what is that, specifically?

**Mr Hughes:** The split is around 70 per cent short term or opportunistic theft and 30 per cent profit motivated. We have to make some guesses around the profit motivated, because some of those would be vehicles that are simply not recovered because they are dumped in waterways or bushland that is inaccessible.

**Mr BOYCE:** Is one overtaking the other? Is the economic car theft getting bigger?

**Mr Hughes:** The proportions have not changed a lot, to be frank. What I was saying before, though, is that it is no longer—I would not use joy-riding as a description any longer. Nearly every stolen vehicle results in a subsequent crime of some description. It is less about transport and more about other offending, be it doing a drug deal, abducting somebody or those sorts of more serious, high-end crimes. As I said, I would hope that by June we will have a report that we have developed together with Queensland police looking at what are these ancillary crimes that are facilitated by the theft of a vehicle in the first place. We have completed that work in Victoria. We are not quite ready to publish it yet because we need other parties' agreement to publish. One of the confounding things, certainly to my eyes as someone who has been around the vehicle theft space now for 22 years, is that there is an increasing percentage of adult offenders stealing vehicles.

**CHAIR:** When that report is released and it is okay, if we are able to get a copy that would be fantastic.

**Mr Hughes:** Absolutely.

**Mr MILLAR:** You have obviously been doing this for a long time, Geoff—22 years. Is there any information or data about where in Queensland are hotspots for theft?

**Mr Hughes:** We can provide you with data any way you like. A lot of it is available on our website. Every three months we publish an online publication called *Theft Watch*, which includes the hotspots. To be honest, they do not change very much in most states. Unfortunately, they are nearly Brisbane

always going to be in the south-east places like Logan. Townsville and Cairns—there is a clear difference in Queensland compared to many other parts of the country because of the decentralised nature of the state. You tend not to have the same hotspots in regional centres in other states as you do here in Queensland, unfortunately.

**Mr MILLAR:** This might be a hard question to answer. Have we seen an increase in car theft because of the change in the police pursuit policy?

**Mr Hughes:** We could not make any attribution. Certainly since about 2013-14 Queensland's thefts have peaked and have stayed at those levels for quite a period of time. I would not like to comment on policing or operational responses.

**Ms PUGH:** We heard from the RACQ—and you got quite excited when they were talking about this—about the U-Turn Program. While I understand it does not sit directly in the purview, I would really like to hear a bit more about it and perhaps why you think it was so successful.

**Mr Hughes:** Bear in mind you are dealing with recidivist young offenders who are very hard to engage. I have probably met over 4,000 offenders over my period at the NMVTRC. When you first meet them they will not look you in the eye; they look at their shoes. They are very hard to engage. There is something around their fascination with motor vehicles and the fact you can use that as the carrot to engage and to address the other underlying factors. Unfortunately, they all have very stereotypical demographic factors working against them: difficult family lives, usually dad went long ago; substance abuse; and literacy and numeracy issues.

What U-Turn was really good at was dealing with those issues in a way that the kids could relate to. They had often dropped out of traditional schooling because they felt it did not fit their needs or they had been expelled, which is the other interesting thing. We have a lot of research in the young offender space that we would be happy to share with you. One of the really interesting things is that many of these kids manage to go to school until such point as something happens in the school grounds and they get expelled. That is their last connection with any—what I termed before—pro-social networks. If they get to that stage, the only friends they have are the antisocial element.

We actually moved on from U-Turn to develop a different thing called Synergy Auto Repairs, which had operated in Melbourne for five years. Unfortunately it has fallen victim to COVID, as have many other issues. If you are not aware, the reduced travel that we are all doing on the roads reduced repair volumes by almost 60 per cent at its peak and, of course, Melbourne was shut down for longer than most parts of the country.

It is basically a commercial repairer, repairing Suncorp customer vehicles by technically qualified staff but assisted by between four and five young offenders for a period of six months. They get a nationally recognised TAFE qualification, and if they get that qualification and they keep their nose clean the Suncorp group were guaranteeing them an apprenticeship amongst the broader repair network. That was why my comment was that right now in Melbourne there are more than 50 young people who came straight out of the juvenile detention system who are now on a path to meaningful employment. It is not basket weaving; it is filling a desperate need.

I am sure that if you spoke to the MTAQ up here they would tell you that they cannot recruit apprentices via normal school streams. For these kids, if the light turns on for them—and they have to want to change; that is a significant factor—there is potentially a career for life for them. Instead of being a cost to the community they will end up paying tax, like we all do, and making a positive contribution.

**CHAIR:** Thank you very much for that. I have some further questions I would like to ask, but we have run out of time. Is it okay if we pose further questions to you in writing?

**Mr Hughes:** We are happy to assist in any way we can.

**CHAIR:** Thank you very much. There will be a transcript of these proceedings and we will send through a copy in due course. We appreciate your time. It has been very illuminating.

**Mr Hughes:** Good luck with your deliberations

**CHAIR:** We will no doubt be asking some further questions and offer appreciation in advance of the answers.

**Mr Hughes:** Happy to assist.

**ANDREW, Mr Treeve, Technical Adviser, Australian Low Volume and Individually Constructed Vehicle Association Inc. (via videoconference)**

**AUDSLEY, Mr Richard, President, Australian Low Volume and Individually Constructed Vehicle Association Inc. (via videoconference)**

**GREEN, Mr Russell, Committee Member, Australian Low Volume and Individually Constructed Vehicle Association Inc. (via videoconference)**

**LANGRIDGE, Mr Robert, Director Emerging Technologies, Federal Chamber of Automotive Industries**

**CHAIR:** Thank you for your attendance here today. Would you like to make a short opening statement?

**Mr Audsley:** My name is Richard Audsley. I am the president of the Australian Low Volume and Individually Constructed Vehicle Association. We represent enthusiasts who like to build or buy specialist vehicles for recreational purposes. I am the president of the association. I have been involved in running an ICV club for about 20 years. Our main area of concern is around the standardisation of vehicle standards across Australia and ensuring that the ICVs, as we call the individually constructed vehicles, and the low-volume vehicles are actually treated very similarly even though they cross different jurisdictions.

In relation to remote immobilising technologies, we strongly support the alignment to UNECE regulations. We support keeping our full production vehicles in line with those. That is our preference. I have two other people with me today. All three of us are professional engineers. I have Treeve Andrew, who is a certifier. He certifies vehicles that are modified or built. I also have Russell Green, who is a builder of an ICV and has a close link to a kit supplier in Queensland. Treeve, I will hand over to you.

**Mr Andrew:** My name is Treeve Andrew. I am a vehicle certifier in New South Wales and Queensland, including having had individually constructed vehicles certified in Victoria using my test data and in the ACT. I cover the full range of available modification codes—from motorcycles to light vehicles, heavy vehicles et cetera—and this covers everything from people fitting child restraint anchor points through to high-performance vehicles and, as we have mentioned, individually constructed vehicles. I also support local vehicles in the low-volume sector, typically modifying Toyota LandCruisers to be electric powered for use in the mining industry and so on, as well as provide specialist input into the New South Wales brake assessment manual and suspension and ride height manual.

Again, to reiterate Richard's point, apart from my broad understanding of a full range of vehicles, when it comes to modifying vehicles or for people building vehicles, having fixed standards at the federal level is a critical part for us to be able to move vehicles between states and there are things in place to align the ADRs to the UNECE regulations. I will hand over to Russell Green.

**Mr Green:** Thank you, Treeve. I am building a replica AC Cobra. I purchased the kit from Absolute Pace in Queensland. Both Absolute Pace and their Australia-wide customers are seriously concerned by the varying ICV standards across Australia. Significant investments must be made to go ahead with a purchase, and this is without the confidence of knowing whether the completed car will comply with the local rules in force at the time of registration. A percentage of potential sales do not go ahead because of this risk. As state authorities do not uniformly follow the accepted national code of practice VSB-14, if the ICV is later sold to someone in another state there is a hidden cost of recertification into the purchaser's state.

Absolute Pace is a specialist vehicle manufacturing organisation. It is an example of the benefits of skilled automotive engineering. This brings capabilities, innovation and jobs to our economy. As well as building ICVs, Absolute Pace has recently partnered with a Queensland battery manufacturer to build electric sports cars and golf carts. A viable ICV industry needs uniform national certification consistent with the concessions granted to low-volume vehicles. A real-world indicator of ICV safety is the cost of comprehensive insurance. Insurance premiums for ICVs are lower than most other cars on the road as a reflection of their claim history.

In summary, a national engineering certification body would, one, provide more certainty to builders when contemplating a new ICV build; two, eliminate trade barriers of recertification when selling registered ICVs interstate; three, encourage and strengthen our local automotive

Public Hearing—Inquiry into vehicle safety, standards and technology, including engine immobiliser technology

manufacturers and employers; and, four, build a broader base of STEM capabilities in our economy. Thank you for inviting ALVICVA to attend this inquiry. We would be pleased to answer any questions you may have.

**Mr Langridge:** Thank you for the opportunity to appear before today's hearing. I would like to open by stating that the Federal Chamber of Automotive Industries represents around 99 per cent of all the motor vehicles sold in Australia and is strongly supportive of introducing vehicles that continue to push the thresholds for vehicle safety, in terms of both active and passive safety features. Just to put a little bit of context around that, from a survey done around 2018, our members are spending over \$100 billion a year in research and development to develop and bring a range of technologies to the market. Their primary focus is in two areas. The first is obviously electrification of power trains and reducing emissions; and the second, and by no means in that particular order, is improving safety around the world for vehicles on the road. Just to give you a bit of context for that, that compares with global defence research and development spending estimated at around \$22 billion per annum.

Australia represents around one per cent of vehicle sales globally. The Australian Design Rules have largely been harmonised with the international UN regulations to ensure that Australians can benefit from regulatory developments. It is vital that Australia continues to harmonise with those standards which then allows us to maintain the broad range of vehicles available to the Australian consumer. Creating unique Australian rules risks vehicles not being made available to the Australian market. That is clearly to a consumer detriment.

The focus of this particular inquiry is particularly on vehicles being used illegally or dangerously on Queensland roads and including the use of vehicle immobiliser technology, non-technology options and other measures. I think you have heard from Geoff about vehicle theft. Given the mandatory fitment of immobilisers since 2001, typically that involves the theft of keys in various measures. Measures to minimise that type of crime would obviously be beneficial. Of course, dynamic immobilisation has not actually been broadly adopted internationally due to the complexities and significant risk associated with such an activity. I believe the committee heard earlier from several contributors who referenced the ANZPAA report that looked at this and concluded that, whilst the technology is possible, the inherent risks are considerable. In our submission we highlighted a number of those risk factors and issues. In fact, identifying the vehicle itself, particularly in a dynamic sense, can be quite problematic with the significant incidence of stolen numberplates, and that is the primary on-road identification of vehicles.

FCAI members, as I stated earlier, are spending substantial amounts of money on R&D. Again, a big focus is on safety improvements. These safety improvements can be broadly categorised into passive safety, which protects occupants in the event of a crash, and active safety systems, which work to prevent accidents in the first place. The automotive industry, particularly in active safety, is working to enhance and increase automated driver assistance systems as we progress to automated driving systems, which are expected to remove human error from the driving task.

The global vehicle industry is more focused on these developments which we expect will yield significant road safety outcomes. If I could paint a picture for you, some of the well-known safety systems are things like vehicle stability control or automated emergency braking. These systems typically only operate when there are impending issues. At first they warn the driver visually and audibly and sometimes through tactile arrangements. Then at a point in time, based on sensor input, they will operate on behalf of the driver if there was no intervening driver reaction, and this is effectively taking control.

If we consider the other ADAS features many vehicles are now being fitted with—things like road signs and speed recognition—these systems are just like those annoying seatbelt reminders and are typically providing visual and audible warnings that the vehicle is exceeding the speed limit, assuming the signs are not obstructed and the vehicle can actually observe them, and making sure that they are operating and really encouraging drivers to comply. There are further stages of those where we could start slowing the vehicle down, but that is a progression as we move along the levels of driving automation. Typically these systems are being developed and will continue to expand their capabilities. Most modern vehicles probably have a lot of SAE level 2 systems in them at the moment, and we are progressing to level 3 and further.

Just as importantly, those operational design domains will expand. We start off with motorway driving and then we will move down to ordinary road driving. Motorways are more easily controlled—you have less intersections, you have less pedestrians and things like that—but as the systems develop and improve we will be able to take those on to normal road operations. Additionally,

developments are occurring to increase the capabilities of the driving task, such as adding things like pedestrian and animal detection, and intersection passing capabilities. It is our view that these technological improvements will drive greater safety outcomes.

In summary, the global vehicle industry is progressively putting in place advanced driver assistance systems. A connected, cooperative and automated driving system is a key element to improving dynamic vehicle safety. The FCAI continues to encourage Queensland to work with the Commonwealth to advance the harmonisation of our vehicles with international safety standards so that they can be adopted after an evidence based needs analysis and regulatory impact assessment.

We do not agree with the Commonwealth's new Road Vehicle Standards Act in some areas and the current concessional arrangements that allow uncapped volumes of vehicles under certain categories to enter Australia. Aside from the original intent of specialist enthusiast vehicles, which we support, allowing uncapped volumes of these other vehicles, originally designed for other markets and their environments, without business support structures increases potential risk to the Australian consumer, in our view.

Additionally, newer vehicles are far safer than older vehicles. I think you had a representation from ANCAP earlier. With older vehicles, there are generally much higher levels of serious injuries and deaths than with newer vehicles. Of course, whatever measures Queensland takes to try to reduce the age of vehicles will obviously have a beneficial effect on accident and death rates accordingly.

There are some issues that arise, such as the federal luxury car tax which effectively taxes some of the newer safety features. Consequently, the Queensland stamp duty arrangements also provide a hindrance to the adoption of some of those safety features being put into vehicles. Thank you for the opportunity to address the committee. I am happy to take any questions you might have.

**CHAIR:** The submission of the Low Volume and Individually Constructed Vehicle Association states—

Cars can be defected on interstate roads but are perfectly legal on the roads of the home state

The Department of Transport and Main Roads advised us in a previous hearing that Queensland has interstate recognition whereby if a vehicle is registered in New South Wales, for example, and they have a different requirement and that vehicle drives into Queensland, it is completely legal if that vehicle is modified, even if it is outside the Queensland rules. Does that satisfy your concerns with that particular point?

**Mr Audsley:** No. The Australian Recreational Motorists Association can probably speak more to that because they are across those capabilities. We have had instances where people have bought cars from interstate and, because they did not transfer them across to a New South Wales registration, with the rules being inconsistent, that car was then defected on Victorian registration plates in New South Wales. That then created a problem: you cannot clear the defect unless the car is actually registered in the state where the defect occurred, at least in the case of New South Wales. They are the occasional things, and Treeve can talk a lot more to these things than I can. Those concessions are good, but it is still kind of a patch on the problem. If we had consistency across the states, it would not be an issue.

**CHAIR:** Could the concern between Queensland and New South Wales be a policing issue that the police are not aware of this rule, or are there still some problems with it?

**Mr Andrew:** It could be regarded as a policing issue. There is a point here where, if I was to take a New South Wales modified vehicle interstate into Queensland, I would not have a modification plate on the vehicle because New South Wales does not issue them. It is legal for me to drive that vehicle in New South Wales and in Queensland under the position you have just described. However, if I was to sell that vehicle to somebody in Queensland, it would then have to be modified to meet the differences in legislation between New South Wales and Queensland. That is where it falls over. Where you are pulled over on the side of the road—there are no mod plates in New South Wales. When you get to Queensland, the police officer is left hanging a little bit.

**CHAIR:** That has cleared up what I was asking, thank you very much.

**Mr BOYCE:** In regard to modern safety technology and how it is implemented in modern vehicles, where I come from, where you drive continually on unsealed, heavily corrugated, gravel, dusty roads—all those sorts of things—some of these technologies, for example ABS brakes and traction control, are ineffective, not needed and, I would argue, in some cases absolutely downright dangerous. Modern four-wheel drive engagement systems are nothing short of absolutely hopeless when you are in a wet, boggy condition and you need to use them. I would like to hear your comment on the need to disengage some of this technology given specific circumstances.

**Mr Langridge:** Maybe that is a question for the chamber to answer. I can give you a little bit of context here: I lived in the Northern Territory for a period of time, so I do understand wet, boggy, black soil, mud conditions, and I also understand dirt roads. When ABS was first introduced there were lots of deficiencies of many of those products on those types of operations, but I have to say that, certainly in the last five to 10 years, those systems have been modified substantially to cater for those types of driving conditions. I think they are much better than they were. We would argue that, even though there may be some deficiencies in some particular operating conditions, in the main they are beneficial to road safety outcomes. It is not to say it will cover every single condition, but I think in the main we are saving more lives by having those systems on the vehicles and operational, even in those conditions, than not having them.

**CHAIR:** Member, you were asking about the ability to disable them?

**Mr BOYCE:** Is that a possibility—to have them turned off, if you like, under certain circumstances? Would the industry be receptive to having an option like that on your car if you wanted it?

**Mr Langridge:** Many traction control systems have on/off buttons to allow that to occur in limited circumstances. It is a button you have to press each time you start the car.

**CHAIR:** My old Commodores have that. Just for the record, no hooning involved.

**Mr Langridge:** ABS systems are not, and I believe there is an ADR that prevents that from occurring, to be honest with you. I would have to go and check that, just to be sure.

**Mr BOYCE:** With respect to ABS brakes, it is my understanding that the police force had them removed from their motorcycles because of several accidents that occurred. Is that correct?

**Mr Langridge:** I have no knowledge of that.

**Mr Andrew:** Just last week the New South Wales *Brake Assessment Manual* version 3.0 was released. I was heavily involved in the development of that. That includes a blanket exemption for individually constructed vehicles from the requirements of ABS, ESC and brake assistance BAS, on the basis that it is not simply viable for a home builder to correctly calibrate and install those systems. Where this has been trialled, there have often been issues where the brakes will lock up at low speed, even though they perform well at high speed, and there is no commercially available road registerable system that you can set up. Bosch, who are the industry leader in this technology, have stated quite categorically that they would not approve their systems for highway use. Whilst it is possible to often disable traction control, as stated the ADR does require ESC and ABS to remain as a constant function, and where there may be a failure of those systems there are still braking performance requirements. Back in the day, yes, vehicles would pull up slower on loose surfaces with ABS and so on. However, the development of the technologies that control these is to the point now where you will still stop faster with ABS on a loose surface.

**Ms PUGH:** In your opening statement you talked about luxury car tax impeding some of the safety features. Does that impact on any particular brands or models of cars? Where do you generally notice that impact?

**Mr Langridge:** I probably will not refer to any particular models of cars, but I will talk generally about how high-end technologies are introduced to markets broadly, and that will help us understand why some of these taxes actually create some of these things. When manufacturers are introducing new products to the market—essentially the introduction model—they will firstly put them on the high-end vehicles, because that is where there is a profit margin where you can usually include that type of equipment. Secondly, it then allows you to more broadly commercialise the product to begin with. Then that type of product becomes accepted within the market.

There have been some questions about ESC and ABS. When those products were originally brought to market, there was some resistance to them; people did not really want that taking control. That will happen to a broad suite of safety features. We will bring them together on the higher end, where we can afford to put them on. As we increase the volume you then get the benefits of commercial mass production bringing the cost down, which then allows you to roll it out to the lower end vehicles, which are usually well under the luxury car tax threshold. It is about the introduction phase of those products. If you are putting additional taxes and charges on those products, you will get less of those products initially and it takes longer to implement them into the market.

**Ms PUGH:** How much of a delay would you anticipate it creates by having that tax?

**Mr Langridge:** I am not sure I have any research to back any specific predictions of what the delay is.

**CHAIR:** For the benefit of the member, we did an inquiry in the last parliament on transport technology and motor recreational activities, both of which talked about how these ideas are formulated in motor racing and they gradually end up right through the car market. It was quite good for all of us to get that.

**Mr WATTS:** I am interested in the low-volume and individually constructed vehicle. We have spoken about the harmonisation between jurisdictions. Obviously because these have been manufactured in Australia the legislation that governs these are all under state control. I am trying to understand if there have been attempts to gain harmonisation and whether there has been resistance to that from various jurisdictions or if simply no-one has actually embarked on the project of harmonising those.

**Mr Andrew:** The document that typically covers modified vehicles across the states and territories is referred to as VSB14, the national code of practice. This is not a federal document; it is a document that is owned by each of the states. At the moment Victoria is responsible for it. There have been no updates to this document that I can see since 2011, so a significant amount of this document is out of date as the ADRs themselves have changed over time.

With some of the parts of this document, if we talk about emissions control for example, initially there were statements that the IM240 test would be used. However, the only states that have testing facilities for that are New South Wales, which are free, and Victoria, where you pay \$700 per test, pass or fail. There are other parts of the VSB14 that are a slight frustration between the states, where there are modification codes listed in VSB14 and the modification code descriptor—the two-letter single-digit descriptor—is often different between New South Wales and Queensland.

For example, Herrod Performance released a high-performance Mustang with Dick Johnson Racing and the modification codes that applied to that in New South Wales were different to those that were released in Queensland. I certified vehicles on both states for that. The requirements for testing were the same between the states. It was all conducted in Victoria; however, the certifications that were written had to be different because of the differences in the states. It got to the point where I issued certificates for New South Wales and Queensland for all of the vehicles that I certified so that the people would not have to trip up if they moved interstate with their vehicles. However, if you did not have a certifier doing that work who could issue a Queensland and New South Wales certificate, you would then have to recertify your \$150,000 showroom-bought performance vehicle just because we have these slight differences.

ARMA, the Australian Recreational Motorists Association, have things happening in terms of their Time to Align campaign. The aim of this is to be more like the National Heavy Vehicle Regulator with VSB6, which is a federal document. If you apply a modification plate in Queensland, that vehicle is accepted across any of the states and territories. Vehicles over 4½ tonne all have mod plates. If I put a New South Wales mod plate on a truck, it is recognised in any state or territory—there are no ifs, buts, maybes or questions. We are all working to the federal document VSB6 as opposed to the individually state accepted national code of practice. The point here, particularly with the national code of practice—

**Mr WATTS:** Sorry, can I ask a question there? Is that with a federally registered heavy goods vehicle or does the location of registration make a difference?

**Mr Andrew:** It does not make a difference. VSB6 is recognised across all of the states. I could put it on a Queensland truck and it would be accepted. Where this falls over is that VSB14 is referred to as the national code of practice and yet Queensland took it over, made some changes and it is now referred to in Queensland as the Queensland code of practice, although those changes were minor. The point is that there are changes. There are differences between the Queensland code of practice and the so-called national code of practice, VSB14, which sort of defeats the point of being Australian and driving on Australian roads when you cannot sell your car from one state to another if you have to try to apply different stuff to it.

**CHAIR:** On the heavy vehicle points that you made, I understood that Western Australia and Northern Territory were not a party to that; is that still the case? We had a lot of heavy vehicle national law last parliament but we have not had any this time.

**Mr Andrew:** Being that I live in New South Wales and the closest I have got to the Northern Territory was standing at the border just outside of Mount Isa, I honestly tend to forget about them. For the most part, yes, it excludes the parts of Australia that everybody forgets about.

**Mr WATTS:** My understanding is that the luxury car tax was initially introduced to protect some of Australia's car manufacturing. I am trying to understand the genesis of that tax and whether it is, in fact, still relevant in the Australian car industry today.

**Mr Langridge:** You are correct in your assessment that it was originally put in place to protect some local manufacturing and essentially make sure that imported vehicles were priced higher to allow for the local manufacturing to flourish at that time. Clearly, since the demise of local manufacturing, that no longer applies.

**Mr WATTS:** To push that point a little further, the *raison d'être* for the introduction was to protect local manufacturing. Local manufacturing stopped, but every consumer in Australia still pays a premium for that imported car at the luxury end.

**Mr Langridge:** That would be my understanding.

**CHAIR:** Mr Langridge, in your opening statement you talked about changes to the federal act limiting the importation of certain vehicles. Can you expand on that? What types of vehicles were you talking about? Where do you go with that?

**Mr Langridge:** There were two areas where I talked about that. The first one was just general regulations that I think my colleagues on the videoconference also spoke about, which was making sure that we are aligned with the UN regulations. Is that the area that you are talking about?

**CHAIR:** No.

**Mr Langridge:** Is it the other area in relation to the Specialist & Enthusiast Vehicle Scheme?

**CHAIR:** Yes.

**Mr Langridge:** There are some concessional arrangements at the moment that were introduced. As you know, we are moving from one federal act to the other federal act: we are moving from the Motor Vehicle Standards Act to the Road Vehicle Standards Act. At the moment there are some concessional arrangements in place. This does not really apply to the more specialty style of vehicles, but there are uncapped volumes if you bring your vehicle in under a low-emissions requirement or some other specialty arrangement, such as campervans and things like that. It used to be a cap of about 100 vehicles per year, but that has been abolished at this point to allow uncapped volumes to come in. Frankly speaking, there would be some of those uncapped volumes exceeding the volumes of some of my members at the moment.

**Mr BOYCE:** In relation to imported vehicles to Australia that require conversion from left-hand drive to right-hand drive, is that standardised across the nation?

**Mr Langridge:** My members do not work on the conversion. I am unsure whether my colleagues on the videoconference could help there.

**Mr Andrew:** I believe—trust me!—that various states have either 25 years or 30 years requirements. If the vehicle is within those ages, it does not have to change. It is 25 years in New South Wales, but you cannot put a car on classic registration until it is 30 years old so it is really incongruous in New South Wales.

**Mr BOYCE:** Specifically where I come from, I notice a lot of large American four-wheel drive vehicles coming in and people registering them. They are not new vehicles. My understanding is that they are not built in a right-hand drive configuration and they have to be converted when they come to Australia. Are you aware of that?

**Mr Langridge:** I think you will find that there are some importers bringing in some of those American vehicles, but they are bringing them in under full volume arrangements. That is my understanding. They would be converting them according to what a normal manufacturer would have to do.

**CHAIR:** I know in Queensland it is 30 years, having imported a US vehicle that I had to convert because it was under 30 years old. Australia no longer manufactures any mass produced vehicles, as we have all discussed. We represent about one per cent of global sales. How much influence would Australia have if it tried to demand a unique vehicle standard, such as remote immobiliser technology, be provided for the Australian market? They would not listen to us—although I do not want to put words in your mouth!

**Mr Langridge:** You are!

**CHAIR:** I retract that statement.

**Mr Langridge:** The way that the whole UN regulation process works is that most countries that are signatories to the agreement would go off and debate what sort of technology should be put on cars and debate the merits of that. Then, at a UN level, they will progress it to whatever is agreed and there are many inputs to that. There will be manufacturers, there will be states and countries and various road agencies and road safety agencies and all those sorts of things. Ultimately, it is up to

Australia to then pick up that regulation and decide, from an Australian perspective, whether that applies and whether it is appropriate for the Australian market. Normally we will go through a regulatory impact statement to work out what the costs are, what is the benefit and whether it is appropriate to put in place.

For example, you have probably heard about things like the Norway moose test. That is probably not that appropriate for Australia. We might not take that particular piece. I am not saying we did or did not, but the point is: is it appropriate for the Australian environment? Maybe it is and maybe it is not. Then we would make that decision in Australia. That is the way those UN regulations generally are adopted into Australia.

**Ms PUGH:** Is that about hitting a moose?

**CHAIR:** I assume it would have been.

**Ms PUGH:** We hit roos here so that is kind of fair.

**CHAIR:** I will not argue about the moose.

**Mr Langridge:** It is a specific test for Norway.

**Ms PUGH:** I have been driving for less than 20 years and the advances in vehicle technology in that time are pretty astounding. I have never purchased a luxury vehicle but I have a Toyota and the safety features on it are pretty incredible. Obviously you have your luxury market and then you have your standard family car market. What is the lag time on safety features introduced to that high-end product coming in at the mass-market level? Do you have any intel on what that lag time might be?

**Mr Langridge:** I do not have specific timings on it because, again, that will depend on various technologies and what the market accepts or what the market likes or thinks is an advantage to bring in. Clearly some other factors are brought in: things like ANCAP ratings and those sorts of things. Most manufacturers want to get a level of ANCAP rating that is appropriate for the vehicle that they are bringing in. You will see that some technologies can be a bit slower to bring into the market. Again, it depends on the consumer perception as to how much that is advantageous to them.

The more that consumers at the luxury end decide that that is appropriate—for example, what is starting to occur at the moment is that we are starting to see things like lane keep assist. I am not sure whether your Toyota has it; it may or may not have it. There are different versions of it. First of all, you get the warning systems that start to say, 'Hey, you are going out of the lane.' Then you will start to get different levels of control to push you back into the lane and those types of technologies.

As we progress down the road, sometimes some people find that being moved or nudged back into the lane is a bit disconcerting, but once you are used to it you do not mind it. The first couple of times it occurs you think, 'What's happening there?' but as these things start to permeate into the market they become more and more accepted. More people get used to it. More people understand it. As the technology increases, we can make that more controlled and sometimes more forceful, if necessary. It is about how consumer perception starts to accept it. There is always the fear of Big Brother watching over me, but it is more about trying to make sure that we keep cars in lanes, stop accidents and stop cars running off roads, particularly country roads. We would like the line marking in place too, by the way. That always helps.

**CHAIR:** They do take over. You scratch your head and it says, 'Keep your eyes on the road.' 'I am, I am!' Time has beaten us. I would like to thank you all for coming in today. As I have said to the other groups, if any further questions come up, would you be open to us sending questions to you as we progress through this inquiry?

**Mr Langridge:** Certainly.

**CHAIR:** We really do appreciate that. Once again, I thank everyone who has come along to today's hearing. A transcript of these proceedings will be available on the committee's parliamentary webpage in due course. I declare this hearing closed.

**The committee adjourned at 12.30 pm.**