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**THE PRODUCTIVITY COMMISSION INQUIRY INTO THE COMMERCIAL
RELATIONSHIP BETWEEN THE AUSTRALIAN MOTOR VEHICLE SMASH
REPAIR INDUSTRY AND THE MOTOR VEHICLE INSURANCE INDUSTRY**

FCAI SUBMISSION

The Federal Chamber of Automotive Industries (FCAI) is the peak industry body that represents the majority of Australia's manufacturers and importers of passenger and light commercial vehicles, and motorcycles. The FCAI welcomes the opportunity to provide input into the Productivity Commission's inquiry.

1 VEHICLE STRUCTURE

The body structure of the modern vehicle is designed to meet the challenges of improved crash protection while minimising weight to meet fuel consumption and exhaust emission requirements.

This has meant the increasing use of high strength steels as well as lightweight materials such as aluminium and magnesium. Vehicles structures can be made up of a combination of these materials using a variety of techniques of construction ranging from specialised welding to riveting and adhesive bonding.

Such vehicle structures require specialised repair techniques to ensure that the structure's crush characteristics and strength are maintained post repair to maintain crash protection.

2 OCCUPANT PROTECTION COMPONENTS

Along with improved body structures, there has been the complementary introduction of advanced occupant restraint systems that are tuned to perform in concert with the crush characteristics of the vehicle. Such technology includes:

- Multiple stage frontal airbag systems that deploy with different characteristics depending on the severity of the crash.
- Seatbelts pretensioners that couples the occupant to the crash as early as possible thus reducing injury severity.
- Seatbelt load limiters to reduce chest loading (particularly important for small, aged and frail people) that work in conjunction with frontal airbags.
- Side impact airbags and curtains to protect the head and chest.

Improper repair of the structure and/or these seatbelt and airbags systems and their sensors will jeopardise the protection they provide to occupants of the repaired vehicle. Every effort must be made to ensure the whole system is properly repaired and tested.

3 ACTIVE SAFETY COMPONENTS AND SYSTEMS

Vehicles are increasingly being fitted with active electronic stability control systems that automatically modulate throttle and braking inputs to maintain vehicle stability in adverse conditions. Such systems rely on complex sensors and electronic systems that must be properly fitted and aligned to the vehicle structure to ensure that they work correctly.

4 CONTINUING COMPLIANCE WITH AUSTRALIAN DESIGN RULES

It should be noted that Section 41 of the *Federal Motor Vehicle Standards Act 1989* (MVSA) calls up the Australian Design Rules (ADRs) as Consumer Product Safety Standards for the purpose of the *Trade Practices Act 1974*. Section 41 states:

“For the purpose of sections 65C (other than subsection 65C(8)) and 65F of the *Trade Practices Act 1974*, a national standard (including a standard designed for a purpose referred to in paragraph (b) and (c) of the definition of **vehicle standard** in section 5 of this Act) is to be taken to be a prescribed consumer product safety standard.”

The insurance and repair industry needs to recognise that the ADRs cover a wide variety of components including crash protection (including structure and restraint systems – airbags, seatbelt systems, etc), all lighting equipment, braking system, tyres, glazing, noise and exhaust emissions. The original vehicle was certified as complying with the ADRs using original manufacturers' parts that are traceable under audit as part of the regulatory system. Repairers need to use genuine parts so as to ensure that the vehicle continues to comply with the ADRs.

5 SUMMARY

The design of the modern vehicles has become more complex to answer the challenge of improving both active and passive safety to better protect the consumer. Such safety features has made it even more imperative that vehicles are repaired using the proper techniques, parts and expertise to ensure that they continue meet the ADRs and associated legislative requirements and to continue to protect the consumer.



Keith Seyer
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END OF FCAI SUBMISSION