

**DRAFT  
REGULATION IMPACT STATEMENT**



**CONSUMER PRODUCT SAFETY STANDARDS  
FOR  
VEHICLE JACKS  
AND  
PORTABLE RAMPS  
UNDER THE TRADE PRACTICES ACT 1974**

**JULY 2008**

**Australian Competition & Consumer Commission**

## INTRODUCTION

The Trade Practices Act 1974 (TPA) mandatory standards for vehicle jacks and portable ramps for vehicles (ramps) were established because of concerns about the safety of these products in the market.

The Australian/New Zealand Standard AS/NZS 2693 *Vehicle jacks* was originally prepared in response to a request by the Department of Defence which was supported by the Australian Federation of Consumer Organisations. The Department of Defence had found a number of deficiencies in the design of jacks purchased for use with army vehicles that raised some safety concerns, and felt that the design principles established by this Standard could apply equally to smaller jacks used for passenger cars.

The Australian/New Zealand Standard AS/NZS 2640 *Portable ramps for vehicles* was originally prepared in response to a request from the Ministry of Consumer Affairs, Victoria, which was concerned about the poor quality of some car ramps following the collapse of a ramp after a car had been driven onto it.

The mandatory safety standards for vehicle jacks and ramps set minimum performance requirements for these products and specify the provision of safe-use instructions and product safety information. Safety warnings are considered an important part of the consumer product safety standards as many accidents appear to be associated with the misuse of vehicle jacks, particularly where users get under a vehicle raised only by a vehicle jack instead of correctly supporting the vehicle.

It should be noted that the review of the mandatory standards for vehicle jacks and ramps are separate to the review of the mandatory standards for trolley jacks and vehicle support stands.

The Australian Competition and Consumer Commission (ACCC) enforces the mandatory standards through monitoring the market and, where necessary, taking action to remove from the market any products that do not meet the mandatory safety requirements. The mandatory standards provide an effective mechanism for identifying and removing from the market products having inadequate safety features, thereby reducing the risk to consumers.

On the information available, it has not been possible to assess quantitatively the effectiveness of the TPA mandatory safety standards for these products. Prior to 1985 there was very little data collected to gauge overall injury rates associated with vehicle jack and ramps, and therefore it is not possible to compare related injury rates before and after the introduction of the mandatory standards.

Notwithstanding the difficulties in proving the effectiveness of the mandatory standards through identified trends in product related injuries, injury prevention specialists are confident that by ensuring minimum levels of product safety and the provision of safe use warnings and instructions, the safety standards for these products are effective in moderating the associated injury rate. Warnings reinforce the safety message by providing a present and constant reminder of the hazards.

It is desirable that TPA consumer product safety standards are reviewed periodically to ensure they remain current and continue to meet the needs of consumers and industry.

On 1 February 2007, Standards Australia published a new version of its standard for vehicle jacks, AS/NZS 2693:2007. Industry has noted the importance of the mandatory standards and many have called for the adoption of the updated version of the Australian/New Zealand Standard for vehicle jacks as mandatory. The TPA consumer product safety standard for vehicle jacks was first introduced in November 1985 and was last reviewed and updated in November 2003 to reference the 1993 and 2003 versions of Australian/New Zealand Standard AS/NZS 2693. The mandatory standard for vehicle jacks requires updating following a review of the Australian/New Zealand Standard on which it is based.

TPA consumer product safety standard for ramps was first introduced in November 1985 and was last reviewed and updated in March 1997 to reference the 1994 version of the relevant Australian/New Zealand Standard. The 1997 mandatory consumer product safety standard for ramps is also due for review.

## **PROBLEM**

### **The problem being addressed**

Working under a vehicle supported by a vehicle jack or ramps can expose people to the risk of death or severe injuries. The task of raising and supporting a vehicle to allow work to be carried out is inherently hazardous due to the weight of the vehicle and its lack of stability when raised.

The supply of vehicle jacks and ramps that do not comply with performance requirements referenced in a safety standard and products not providing warnings of the inherent dangers associated with the use of such products is likely to result in increased injury and deaths. Where vehicle jacks and ramps are of poor quality and/or manufacture, such products are also likely to cause injuries and deaths.

ACCC experience in enforcing the mandatory standards has shown that significant levels of non-compliance exist despite there being mandatory standards (particularly with vehicle jacks). Arguably this indicates a willingness on the part of some suppliers to place pricing and market share ahead of compliance and customer safety. The absence of mandatory standards for vehicle jacks and ramps may therefore lead to lower standards of safety and a clear potential market failure.

Currently, the Australian Government has mandated both the 1993 and 2003 versions (with variations) of Australian/New Zealand Standards AS/NZS 2693 for vehicle jacks up to and including 8 tonnes and AS/NZS 2640:1994 for ramps up to and including 1.5 tonnes. Whilst the AS/NZS 2640:1994 for ramps has not been revised to date, both of the Australian/New Zealand Standards for vehicle jacks referenced in the current mandatory standard have been superseded by a more recent version; AS/NZS 2693:2007. Australian/New Zealand Standard AS/NZS 2693 has been reviewed by Standards Australia to take account of advancements in technology, changes to

manufacturing procedures and eliminating hazards. It would be beneficial to both consumers and industry if suppliers were able to supply products that comply with the current Australian/New Zealand Standards. Mandating previous versions of Australian/New Zealand Standards prevents this.

Should Consumer Product Safety Standards for vehicle jacks and ramps be removed, consumers would be uncertain of whether the vehicle jacks or ramps they are purchasing are fit for purpose. Vehicle jacks and ramps that are not fit for purpose, and those products not advising of the safe usage of the product, are likely to result in increased injury or death. Where a product fails to support the weight of a raised vehicle or the product is misused, the vehicle may fall from the vehicle jacks or ramps potentially causing serious injury or death.

If the proposal to update the mandatory product safety standards for vehicle jacks and ramps was to be rejected, consumers may be able to rely on product liability legislation and also common law negligence.

Product liability deals with defective goods as opposed to unsatisfactory goods. Product liability essentially rests with the manufacturer of that particular product. The TPA creates a remedy for consumers who suffer injury, loss or damage because of an unsafe good. The TPA deals with defective goods by providing a series of statutory rights of action against the manufacturer, in favour of persons suffering injury, loss or damage caused by the dangerous and or defective goods. The basis of liability or the cause of action is that there is a defect in goods and a person suffers injury as a result of that defect. The legislation gives persons who have suffered injury, loss or damage caused by dangerous goods a right of action against manufacturers, importers and suppliers.

In addition to product liability legislation, common law compensation is the usual term to describe compensation pursued through the courts, which is usually made by way of the action of negligence. Where harm is foreseeable, if due care is not taken by suppliers of vehicle jacks and ramps to ensure products do not cause injury, individuals injured as a result of faulty products may have access to redress via common law negligence (provided the relevant injury and economic loss thresholds are met for the law to apply).

However, whilst consumers have an avenue to redress from product-related injury in product liability legislation and common law negligence, these deterrents are not expected to ensure suppliers of vehicle jacks and ramps supply goods that comply with minimum safety standards. Whilst there is some evidence of product liability successfully providing incentive to supply safer products in some consumer goods sectors, this is not sufficiently evidenced with vehicle jacks. The number of deaths and rate of compliance with the mandatory standard demonstrate the contrary.

Where mandatory consumer product safety standards for vehicle jacks and ramps exist, they act to increase consumer protection from unsafe goods and resultant injury by establishing design and construction, markings, and performance criteria to create a benchmark for safety.

## Deaths<sup>1</sup>

There were 29 car jack related deaths between 1/07/2000 and 30/6/2007 (Figure 1) that were notified to an Australian coroner. All deaths were men in the age range depicted in Figure 2 and involved the vehicle being elevated. There were no cases for 2007 on NCIS as at 10 October 2007. Any deaths after 10 October 2007 have not been depicted as the inquests may still be ongoing.

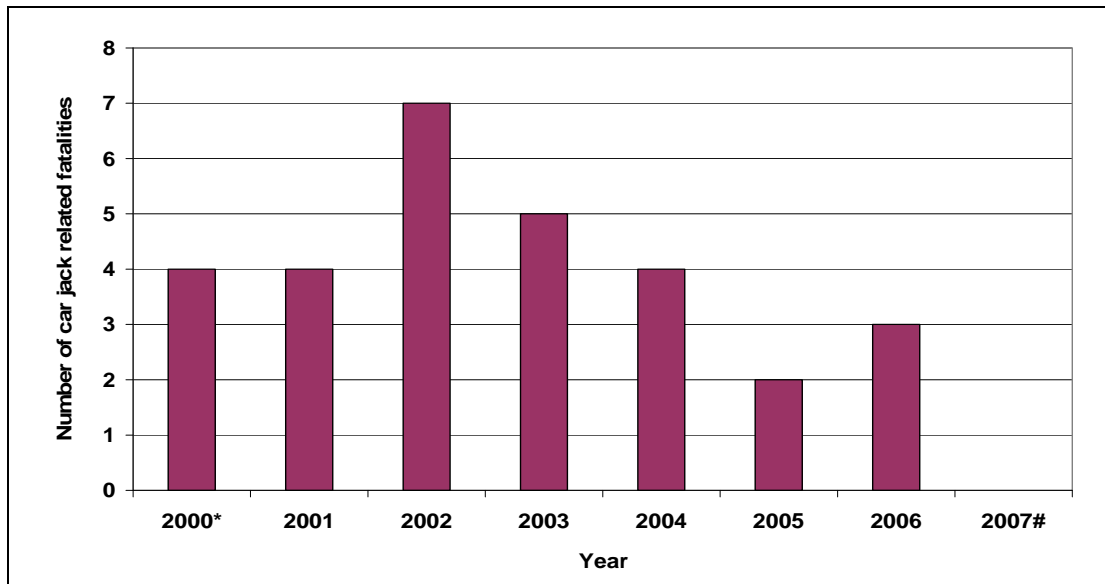


Figure 1. Number of car jack related deaths in the period 01/07/2000 to 30/6/2007 by year.  
\* from 01/07/2000 to 31/12/2000 # from 01/01/2007 to 30/6/2007

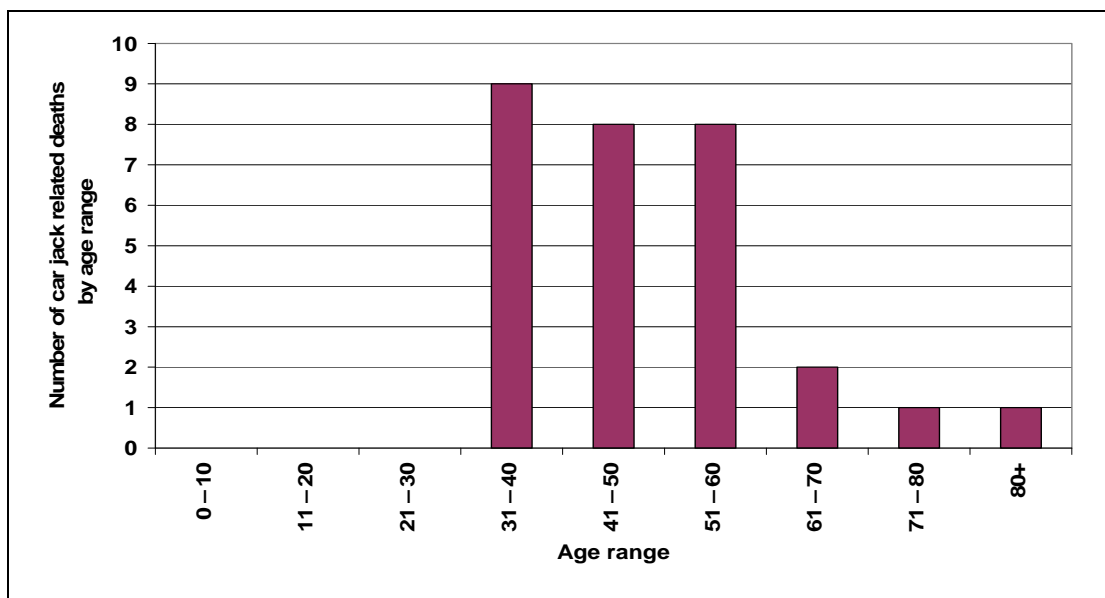


Figure 2. Number of car jack related fatalities in the period 01/07/2000 to 30/6/2007 by age range.

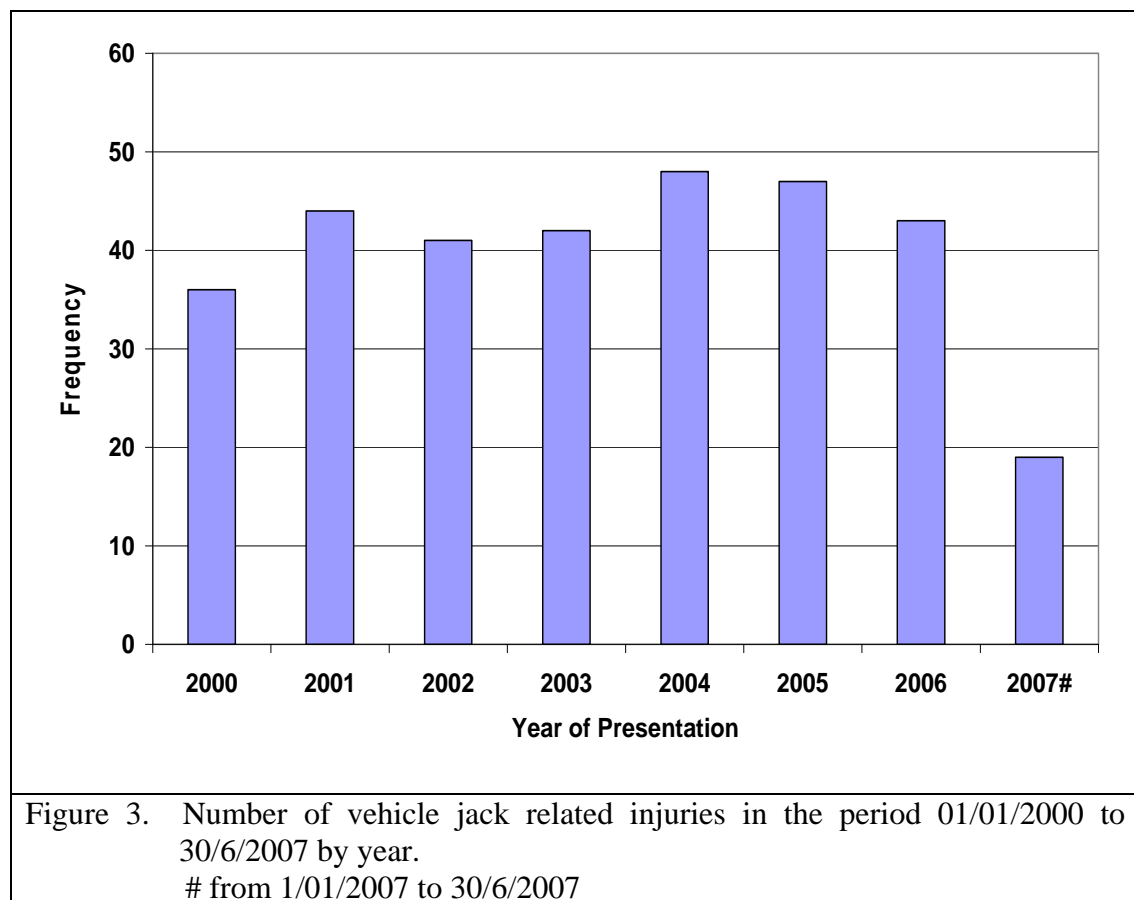
<sup>1</sup> Unless referenced otherwise, National Coroners Information System (NCIS) Database Search. October 2007. *National Incidence of Death Involving Car Jacks. Deaths reported from 01/07/2000 – 30/06/2007.*

Of the 29 car jack related deaths between 1/7/2000 and 30/6/2007, the highest medical cause of death was asphyxia (n=21) and the common mechanisms of death were blunt force (n=18) and threats to breathing (n=8). The highest number of deaths between 1/7/2000 and 30/6/2007 involved a passenger car (n=18).

There were two ramps related deaths in the period 1/7/2000 to 30/6/2007.<sup>2</sup>

### Injury data<sup>3</sup>

There were 320 Emergency Department (ED) presentations to Victorian hospitals for vehicle jack related injuries for the period January 2000 to June 2007 (Figure 3). Of these, 33 (10.3%) were admitted to hospital and 286 (89.4%) were treated in the ED and discharged.



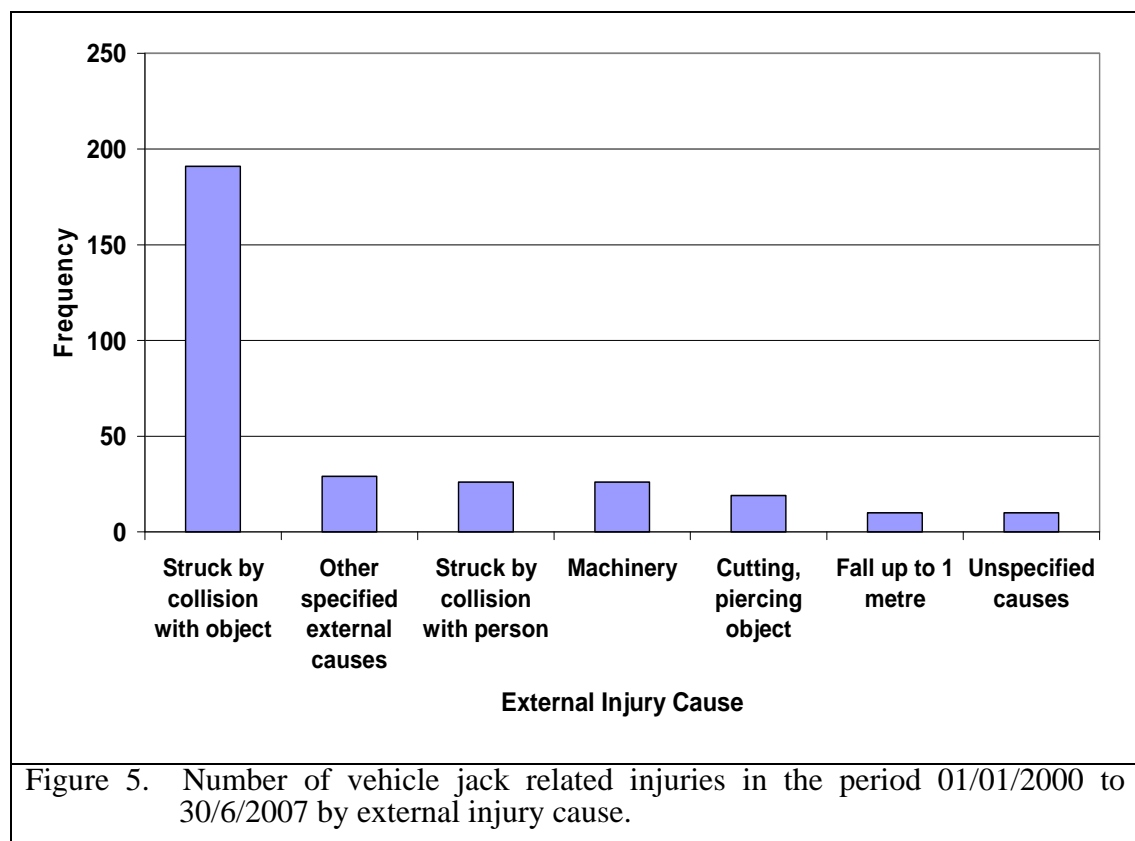
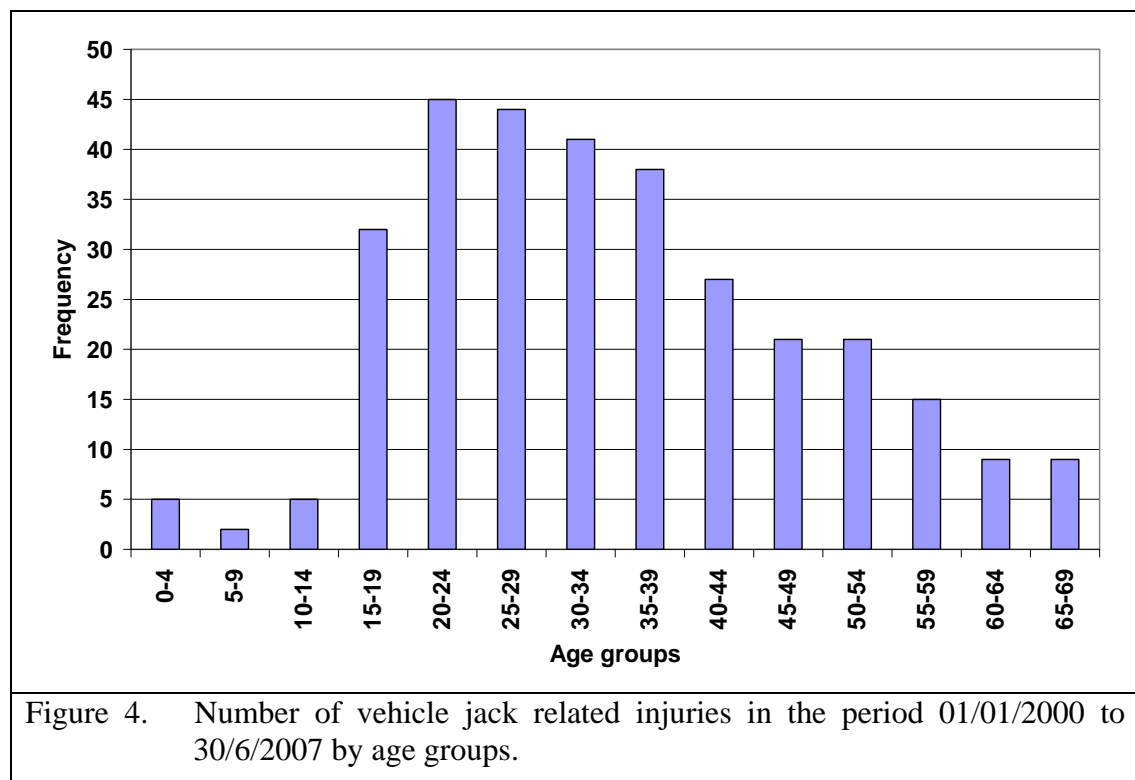
Of the injured persons, 302 (94.4%) were male and 17 (5.3 %) were female. Injuries were incurred by all age groups (Figure 4).

Most external injuries (n=191, 59.7%) were caused by the person being struck by collision by an object (Figure 5). Common types of injuries were open wounds (22.2%), fractures (20.0%), sprain/strain (15.6%) and crushing (15.6%) (Figure 6).

<sup>2</sup> National Coroners Information System (NCIS) Database Search. October 2007.

<sup>3</sup> Unless referenced otherwise, 24<sup>th</sup> October 2007. *Injuries Associated with Vehicle Jacks Victorian Emergency Minimum Dataset (VEMD)*. For the period January 2000 to June 2007. It should be noted that for confidentiality reasons, cells fewer than 5 cases have been suppressed.

Just over one third of all injuries were to the hand (n=113, 35.3%). Other body sites commonly injured were the foot (n=31, 9.7%), face (n=24, 7.5%), thorax (n=21, 6.6%), head (n=19, 5.9%) and shoulder (n=18, 5.6%).



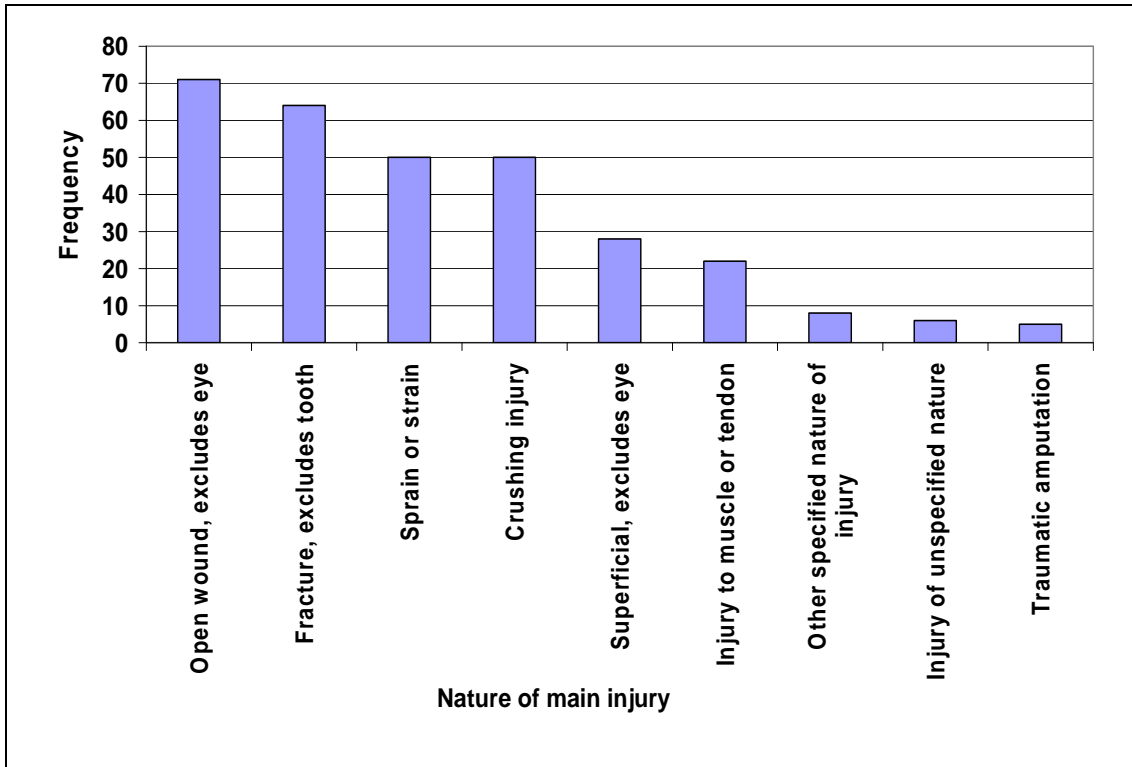


Figure 6. Number of vehicle jack related injuries in the period 01/01/2000 to 30/6/2007 by nature of main injury.

Most of injuries occurred at home (n=168, 52.5%) (Figure 7), followed by trade or service area (n= 51, 15.9%) and road, street or highway (n= 36, 11.3%).

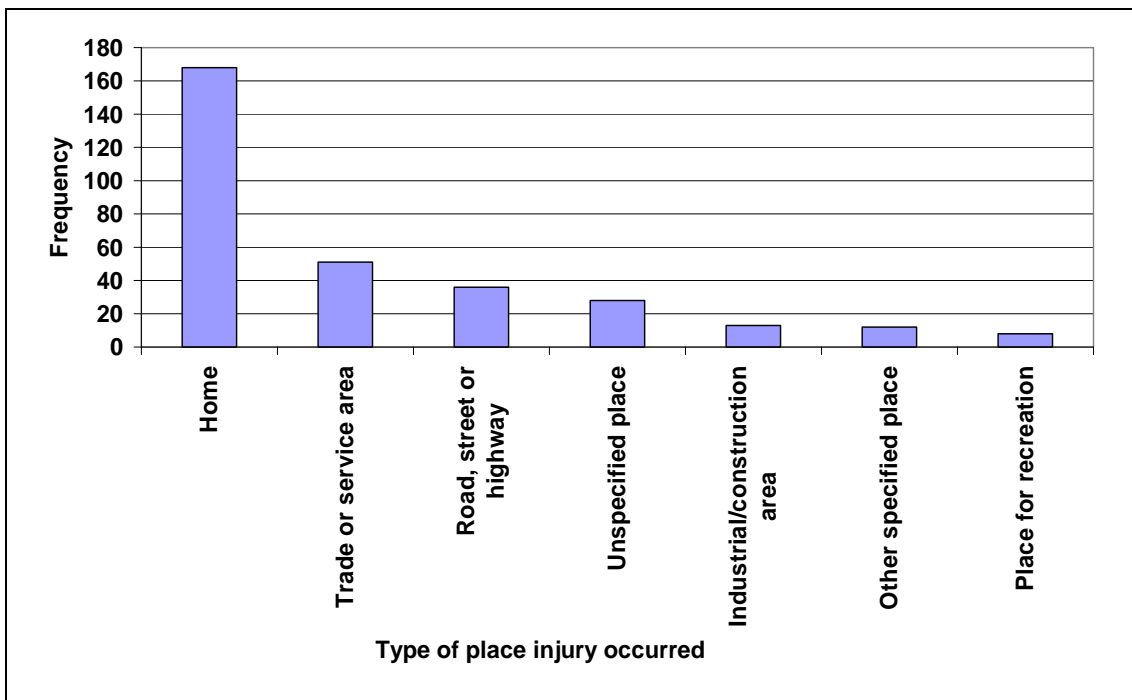


Figure 7. Number of vehicle jack related injuries in the period 01/01/2000 to 30/6/2007 by type of place where injury occurred.

Many accidents appear to be associated with the misuse of vehicle jacks, particularly where users get under a vehicle raised by a vehicle jack instead of correctly supporting the vehicle. The narrative (free text) descriptions of the injury events provide some additional information on the mechanism and circumstances of injury.<sup>4</sup> Over the five-year period 2001-5:<sup>5</sup>

*Eleven of the 16 hospitalisation admissions (68%) and at least 79 of the 168 non-admitted cases (47%) were injured when the jack reportedly 'slipped', 'collapsed' or 'gave way' and the vehicle fell on the person. In 38 of all these cases (42%) the injured person was described as working under the vehicle at the time of the jack shifted/collapsed or the description of the injury site (chest, leg, shoulder, head) indicated that the person had a substantial part of their body under the vehicle).*

Whilst the economic cost of deaths resulting from vehicles falling from vehicle jacks and/or ramps has not previously been researched, in their 2000 Report #102 *Road Crash Costs in Australia*, the Department of Transport and Regional Services, Bureau of Transport and Regional Economics, provide estimates of total costs associated with vehicle accidents. In the absence of equivalent qualitative data for deaths involving vehicles falling from vehicle jacks and/or ramps, the statistics can be used to provide a guide to the economic cost of death and injuries. The Report provides that when taking into account various associated costs such as ambulance costs; police costs; coronial costs; insurance costs; premature funeral costs; and any associated legal costs, the average cost of a fatality was \$1.5 million, of a serious injury \$325,000 and of a minor injury \$12,000 (in 1996 dollar values). It is estimated that in accordance with inflationary pressures, costs associated with death and injuries would have significantly increased since 1996.

Economists measure the value of a life through the calculation of the value of a statistical life (or VOSL). The term 'statistical life' is used because most safety policies aim to reduce the risk of death rather than to avert specific deaths. Most official VOSLs are based on an average value for death of a healthy person at age about 40 years.

There is no general VOSL in use in Australia when it comes to determining values for public policy. An article by Peter Abelson of Macquarie University on *The Value of Life and Health for Public Policy* in *The Economic Record*, Vol 79, Special Issue, June 2003, notes that "...studies indicate that most likely VOSL values are in the range of A\$3.3-6.6 million." The article further notes that "...it appears that, for policy purposes in Australia, a VOSL of about A\$2.5 million for a healthy prime-age individual would be an appropriate (conservative) value."

### **Changes in the Market**

With more than one million motor vehicles sold in Australia in 2007 - an increase of 9.1 percent over 2006, it was estimated that over one million vehicle jacks were

---

<sup>4</sup> HAZARD. (Edition No. 63). Winter 2006. Victorian Injury Surveillance Unit (VISU). Monash University Accident Research Centre (MUARC).

<sup>5</sup> *ibid.*

supplied in 2007.<sup>6</sup> As the Australian motor vehicle market has grown in six out of the last seven years, it has been assumed that the supply of vehicle jacks has increased in the motor vehicle market.<sup>7</sup>

A growing aftermarket also exists for vehicle jacks as well as ramps. The Australian Automotive Aftermarket Association's *Current Status, Future Prospects: A Survey of the Australian Automotive Aftermarket Report of 2005* (the AAAA report) provides an indication of the size of the aftermarket business from the results of survey respondents, based on annual turnover. The following table summarises the results:

<i>Respondents by size of business, based on annual turnover</i>	<i>Number</i>	<i>Percentage</i>
Up to \$3 million	54	45
\$3 million to \$5 million	20	17
\$5 million to \$15 million	24	21
\$15 million to \$50 million	10	8
Greater than \$50 million	11	9
<b>Total</b>	<b>119</b>	<b>100</b>

Vehicle jacks and ramps are categorised as “tools” in the AAAA report. It must be stated that according to the AAAA report, tools are only one of approximately 37 groups that make up the aftermarket products market. Other groups of products include performance parts, bullbars, wheels and tyres, windscreens and other accessories.

It is of considerable importance the AAAA report forecasts that growth in the tool product range from 2005 to 2008 is anticipated to be approximately 52%. This is likely to indicate an increase in the amount of vehicle jacks and ramps in the aftermarket.

Since the introduction of the mandatory safety standards for vehicle jacks and ramps in 1985, the markets for these products have developed to include additional reputable major national suppliers and distributors, and industry associations, which is thought to help ensure the provision of safe products.

However, the automotive products market is very competitive, with marketing frequently based on price competition. The market also includes many small suppliers not aligned with the major retail chains or industry associations, which have little or no coordinated approach to product safety. Industry commentators believe that without mandatory standards for these products, the pressure of market competition would progressively erode the level of product safety in favour of cheaper products

<sup>6</sup> Federal Chamber of Automotive Industries (FCAI) website [www.fc.ai.com.au](http://www.fc.ai.com.au).

<sup>7</sup> *ibid.*

that do not comply with safety standards. This would be expected to lead to the market regressing over time to the low levels of standards compliance that existed prior to the introduction of the mandatory standards.

Whilst no enforcement action has been initiated against suppliers of ramps in the period 2004 to 2007 the ACCC has taken enforcement action against four suppliers of non-compliant vehicle jacks for breaches of the mandatory standard. Present indications are that it is necessary to maintain mandatory safety standards for vehicle jacks and ramps in order to ensure adequate levels of product safety in the market.

## **OBJECTIVE**

The basis for the review of mandatory standards is to ensure that standards are up to date, relevant and able to address an identified safety hazard, while being set at a level which is reasonably necessary to prevent or reduce risk of injury.

### **What is the purpose of the mandatory standards?**

The main purpose of the consumer product safety standards is to set minimum design, construction, performance and marking requirements as are reasonably necessary to prevent or reduce the risk of injury or death as a result of ramps and vehicle jack related accidents.

## **IDENTIFICATION OF OPTIONS**

The available options to achieve the objective are:

### **1. Maintain the status quo, i.e. maintain the current mandatory standards**

Maintaining the existing mandatory Consumer Product Safety Standards for vehicle jacks and ramps (referencing the 1993 and 2003 versions of Australian/New Zealand Standard AS/NZS 2693 *Vehicle jacks* and the 1994 version of Australian/New Zealand Standard AS/NZS 2640 *Portable ramps for Vehicles*).

The current mandatory standards provide minimum design, construction, performance and marking requirements to which vehicle jacks and ramps must comply.

The existing mandatory standard for ramps currently references the latest Australian/New Zealand Standard, AS/NZS 2640:1994.

### **2. Remove the mandatory standards and revert to industry self-regulation**

Industry self-regulation can be effective when product suppliers voluntarily adhere to codes of practice or when an industry has a strong duty of care ethic. Removing the current mandatory standards and adopting an industry self-regulation model would allow relevant industry bodies to develop a safety regime to encourage compliance with minimum safety standards. Self-regulation can

range from a simple code of ethics, to codes that are drafted with legislative precision together with sophisticated customer dispute resolution mechanisms.

Whilst industry self-regulation implies that a minimum safety standard would be maintained, there would in fact be no legislative requirement for industry to comply with the self-regulation model.

### **3. Update the mandatory standards to reference the latest Australian/New Zealand Standards**

A new TPA Consumer Product Safety Standard would be declared for vehicle jacks. The new standard would replace the current mandatory standard and reference the 2007 version of the Australian/New Zealand Standard for vehicle jacks.

The 2007 version of AS/NZS 2693:

- narrows the definition of a specific vehicle jack for safety. Clause 4.17 prescribes:

*A jack which is limited in its application to a specific vehicle or model(s) or model designation(s) of vehicles and is not intended to be used to lift a vehicle at other than the specific engagement points. A specific vehicle jack is only intended for changing wheels.*

- includes a general requirement for *Minimum height* in *Design and Construction*. Clause 5.8.1 prescribes:

*The minimum height shall be determined on a firm level surface without the aid of packing accessories.*

- includes a performance requirement for *High lift jacks*. Clause 6.8.3 prescribes:

*A high lift jack shall have a nominated minimum load which is necessary to allow the jack to be lowered step by step without dropping the vehicle.*

- revises the warning notices;
  - taking account of industry claims that it was not feasible for manufacturers of smaller vehicles to label specific vehicle jacks with the markings required by AS/NZS 2693:2003 as some specific vehicle jacks are too small to be labelled with the necessary warnings with a required lettering size of *not less than 5 mm*. AS/NZS 2693:1993 requires only jacks to be *permanently and legibly marked*.
  - and safe usage instructions. AS/NZS 2693:2007 does not reference the use of vehicle support stands.

The 2007 version of AS/NZS 2693 supersedes the 2003 and 1993 versions where:

- AS/NZS 2693:1993 does not define caravan/trailer jacks and high lift jacks.
- The 2003 version of AS/NZS 2693 included new requirements for caravan/trailer jacks and high lift jacks. AS/NZS 2693:2003 provides specific labelling and performance requirements for both types of jacks which are directly related to specific hazards associated with the use of those jacks.
- In the November 2003 regulation impact statement for vehicle jacks, it was proposed that the 1993 version be maintained as an alternate to the 2003 version of AS/NZS 2693 until the next review of the mandatory standard. This was to *allow the immediate sale of high-lift jacks that comply with the new standard, while allowing other vehicle jack suppliers to changeover to the new standard when practical.*
- It is proposed that the new mandatory standard for vehicle jacks references AS/NZS 2693:2007 so that suppliers can utilise the latest Australian/New Zealand Standard and consumers can benefit from the improvements in safety. Industry has noted the importance of the mandatory standards and many have called for the adoption of the updated version of the Australian/New Zealand Standard for vehicle jacks as mandatory.

Variations to Australian/New Zealand Standard, AS/NZS 2693:2007 Vehicle jacks

The TPA allows the Minister for Competition Policy and Consumer Affairs to vary the requirements of an Australian/New Zealand Standard.

Proposed variations and comment sought:

- AS/NZS 2693:2007 prescribes that the warning advice against getting under a vehicle that is supported by a jack may be provided in pictogram form. **Views are invited** on whether pictograms are as effective as warning notices.

If so, **which pictogram(s)** would be effective in representing the hazard? Stakeholders are invited to provide views. In particular, **what evidence exists** to demonstrate that pictograms are as effective in influencing consumer behaviour as written warnings?

Examples of pictograms<sup>8</sup> advising not to get under a raised vehicle are provided in the attached draft Consumer Protection Notice.

Note: the draft Consumer Protection Notice provides suppliers with the option of labelling jacks with any one of three pictogram samples.

---

<sup>8</sup> Federal Chamber of Automotive Industries (FCAI).

- To reduce the regulatory burden for suppliers and related costs for consumers it is proposed to omit the operating force tests of AS/NZS 2693:2007 as this performance requirement does not represent a substantial hazard.
- Clause 5.8 *Minimum height* of AS/NZS 2693:2003 had been removed from the mandatory requirements in the CPN No. 15 of 2003. However, the removal of this clause from the mandatory requirements may have allowed for the supply of caravan jacks that are unable to lift the caravan sufficiently to allow the removal of a wheel. This raises many safety concerns and therefore, it is proposed that clause 5.8 of AS/NZS 2693:2007 be included as a mandatory requirement in the Consumer Protection Notice.

*Special requirements for specific vehicle jacks manufactured before 1 November 2009 as replacements for jacks supplied with new vehicles*

- There needs to be an effective approach to address the issue of replacement jacks for older vehicles required to comply with the mandatory standard.

Industry has requested that the review of the mandatory standard for vehicle jacks covers the issue of old stock of specific vehicle jacks manufactured as replacements for jacks supplied with new vehicles.

Therefore, in order to accommodate existing stocks, it is proposed that specific vehicle jacks manufactured before 1 November 2009 as replacements for jacks supplied with new vehicles (which are not replacements for jacks supplied with any towed units such as caravans or trailers), can comply with either AS/NZS 2693:2007 or AS/NZS 2693:2003 or AS/NZS 2693:1993 with variations.

However, as of 1 November 2009 specific vehicle jacks manufactured as replacements for jacks supplied with new vehicles (which are not replacements for jacks supplied with any towed units such as caravans or trailers) must comply with AS/NZS 2693:2007 as varied by the Consumer Protection Notice.

*Variation to Australian/New Zealand Standard, AS/NZS 2640:1994 Portable ramps for vehicles*

- To continue to specify the particular of goods from the current mandatory standard, it is proposed to omit clause 1 of AS/NZS 2640:1994 and replace with the following clause:

**“1 SCOPE** This Standard specifies requirements for the design, construction, performance and marking of portable vehicle ramps with a nominated capacity of up to and including 1.5 tonnes.”.

A new TPA Consumer Product Safety Standard would be declared for ramps. The new standard for ramps would replace the current mandatory standard but continue to reference Australian/New Zealand Standard AS/NZS 2640:1994 which has not been revised by Standards Australia to date.

Updating of the mandatory standards for vehicle jacks and ramps would be accompanied by an enhanced consumer and trader education campaign. The education campaign would require the development of a supplier guide and safe use advice for consumers.

#### **4. Provision of safe use information to potential consumers**

The implementation of an education campaign conducted by the ACCC consisting of a media release and the provision of a consumer safe-usage publication would warn consumers of the dangers associated with working underneath a vehicle. The education campaign would also highlight the importance of product maintenance. The safety message in the provision of information may act to significantly reduce the amount of accidents and resultant injuries and deaths.

Consumer education might be an adjunct to the above options, but is not regarded as a viable stand-alone option. This is because the technical nature of vehicle jack and ramps mechanisms is such that it is unlikely that an average consumer would be able to reliably assess the safety of these products.

## **IMPACT ANALYSIS**

### ***Impact Groups***

The proposed options would affect consumers who use vehicle jacks and ramps, businesses involved in the supply of the products (manufacturers, hirers, importers, distributors and retailers), government (including consumer product regulators), and providers of emergency and hospital services.

### **Option 1: Status Quo**

#### ***Costs and benefits for consumers***

The cost to the consumer of leaving the current mandatory standard in place for vehicle jacks is that whilst the current level of safety would be maintained, it would not be improved.

Currently some suppliers falsely claim compliance with Australian/New Zealand Standards. Even without false claims, no consumer is able to make an assessment as to the safety of any given product. The relevant information asymmetry leaves consumers vulnerable in the case of non-compliant products.

### *Costs and benefits for business*

The cost to industry of leaving the current vehicle jack standard in place is that the existing mandatory standard is based on outdated versions of Australian/New Zealand Standards. This means that the mandatory standard for vehicle jacks may not adequately cover technological developments in the market.

The co-existence of superseded but mandated versions of AS/NZS 2693 with the non-mandated revised Australian/New Zealand Standard, AS/NZS 2693:2007 *Vehicle jacks*, may have confused some suppliers in terms of the application of the standard(s).

The Australian/New Zealand Standard for ramps has not been revised by Standards Australia to date. In line with Australian Government policy to regularly review regulations, the revised mandatory standard will continue to reference the current version (AS/NZS 2640:1994).

Industry is also subject to compliance costs where laboratory testing of imported vehicle jacks and ramps is obtained.

Industry benefits from the mandatory safety standards where trader reputation is improved through the supply of safe product.

### *Costs and benefits for government*

The major costs for government of leaving the current standards in place include the costs of enforcement of the standards by the ACCC valued at approximately \$60,000 per annum.

The loss of potential savings to public health budgets by reducing medical and hospitalisation costs for accidents as a result of mandating current Australian/New Zealand Standards would also be a cost to government.

The benefit to government comes in the form of reduced injury and death and reduced associated costs.

## **Option 2: Remove mandatory standards – Industry Self-Regulation**

### *Costs and benefits for consumers*

It is unlikely that all suppliers of motor vehicle parts and accessories would adhere to voluntary industry codes of practice to supply only vehicle jacks and ramps that comply with desirable safety standards. In this price-competitive market, some suppliers may choose to supply cheaper, non-complying vehicle jacks and ramps to maintain sales. The occasional supply of non-compliant product identified during ACCC enforcement activities illustrates the pressures on business to by-pass safety standards.

The onus for selecting vehicle jacks and ramps with appropriate levels of safety would rest with the consumers in a self-regulated market. Consumers would be uncertain as to whether vehicle jacks and ramps on sale provide an adequate level of safety.

Vehicle jacks and ramps without recommended safety features or tested performance would attract consumers through cheaper prices, potentially leading to higher rates of death and injury associated with those products. The cost is difficult to quantify due to uncertainties about the precise effect of the safety standard, but if the injury rate increased it would result in increased medical and personal costs which may be shared with the public hospital system and the broader community through health insurance.

Conservatively, at least one additional death per year might be expected to result from a lowering of safety standards, with a loss of life being valued at approximately A\$2.5 million for a healthy prime-age individual.

The benefits of industry self-regulation for consumers would be that the availability in the market of vehicle jacks and ramps that do not comply with safety standards would increase consumer choice and price competition, possibly reducing prices by 5 to 10 per cent.

Consumers may benefit from industry self-regulation where suppliers of vehicle jacks and ramps are motivated to comply with safety standards for reputation and customer safety purposes.

Section 74D of the TPA provides a right of redress where goods are not of merchantable quality. Section 74D(3) states:

*Goods of any kind are of merchantable quality within the meaning of this section if they are fit for the purpose or purposes for which goods of that kind are commonly bought as it is reasonable to expect.....*

Consumers who are injured by unsafe goods also have an avenue to redress from injury through product liability and negligence laws.

However redress from injury through product liability and negligence laws become available only after an injury has occurred. Access to legal redress is of no consequence to those who lose their life as a result of an accident involving unsafe goods.

Product liability and negligence claims can also be financially costly. Legal expenses reduce the ability for many consumers to access compensation for injuries received.

### ***Costs and benefits for business***

Despite industry-developed codes of practice being optional for suppliers, industry associations would incur some administrative costs in the development and promotion of codes of practice for the supply of vehicle jacks and ramps. The costs may be substantial and would be borne by industry association members. Market forces

would determine whether these costs would be passed on to consumers. **Industry is invited** to indicate costs of such a scheme.

Suppliers adhering to the industry codes for vehicle jacks and ramps would lose some market share to suppliers who choose to supply cheaper products which do not comply with safety standards. There is also insufficient coverage of suppliers by industry associations to give effect to industry self-regulation.

Self-regulation would benefit industry where suppliers are free to select products on the basis of perceived commercial potential and compete freely in the market.

A further benefit would be the widening of the range of products in the market to include cheaper models which may assist smaller suppliers to enter the market.

Consumers who sustain injuries as a result of vehicle jacks and ramps that are unsafe are able to commence legal action under product liability and negligence laws. This could act as a deterrent to suppliers to supply goods which do not comply with a safety standard. In addition to this, Section 74D of the TPA regarding merchantable quality would also act as a deterrent to supply faulty goods.

#### ***Costs and benefits for government***

Increased injuries associated with vehicle jacks and ramps that do not comply with the industry codes would result in increased demand for hospital services. The government would effectively share in the increased costs of medical treatment for consumers.

Self-regulation would eliminate the need for the ACCC to maintain mandatory standards and enforce them through market surveys and compliance action. The estimated savings over the present regulation are approximately \$60,000 per year.

The ACCC is responsible for both enforcing mandatory consumer product safety and information standards and investigating reports of unsafe goods (those consumer goods not required to comply with a mandatory standard). Should the mandatory standards be removed for the self-regulation option, it would be expected that the number of unsafe goods investigations reported to the ACCC would increase. It is estimated that an increase in unsafe goods investigations for vehicle jacks and ramps could cost higher than \$20,000.

### **Option 3: Update mandatory standards**

#### ***Costs and benefits for consumers***

Adoption of the updated Australian/New Zealand Standards as mandatory is expected to result in a continuation of present product pricing levels, which includes a cost component for product development and testing for compliance with the mandatory standard (costs associated with testing to the mandatory standard are estimated to add approximately 5 per cent to the retail price of vehicle jacks). The current retail price range for general purpose, high lift, specific vehicle and caravan/trailer jacks is

approximately \$30 to \$200. The retail price range for ramps is approximately \$50 to \$100.

The continuing barrier to cheaper products not made to comply with the mandatory product safety standards would maintain restriction of market competition and therefore maintain the present limitations on choice for consumers.

With vehicle jacks and ramps in the market complying with the updated mandatory standards, consumers would continue to rely on the supply of safe products rather than on personal research to assess the safety of individual products.

Standards Australia reviews its standards on a regular basis and updates them to take account of technological developments.

AS/NZS 2693:2007 continues to provide requirements for high lift jacks and caravan/trailer jacks. For example, AS/NZS 2693:2007, as does AS/NZS 2693:2003, requires caravan jacks to have a specific engagement head which is designed to lift a caravan at its specific engagement point. This is because weight is distributed differently in each caravan (location of kitchens and bathrooms etc) and therefore caravan jacks are required to have an engagement fitting specific to a particular make of caravan. This is designed to reduce the likelihood of accident and injury by providing users with a precise location to position the jack for the safe lifting of their caravan. Consumers would benefit from the adoption of the updated Australian/New Zealand Standard for vehicle jacks, especially as AS/NZS 2693:1993 is silent on caravan/trailer jacks and high lift jacks.

An ACCC education campaign would accompany the introduction of the mandatory standards. Consumers would benefit from the provision of information advising of the safe use of vehicle jacks and ramps.

### ***Costs and benefits for business***

With the adoption of the current Australian/New Zealand Standards for vehicle jacks and ramps as mandatory, the cost of stock would continue to include a premium to cover the cost of product development and testing for compliance with the mandatory standards. These testing costs are likely to be passed on to the consumer in the form of higher prices.

Smaller suppliers may continue to find it difficult to enter the market with cheaper products as testing to mandatory standards can be a significant cost component when dealing with small quantities of vehicle jacks and ramps.

Practical consideration was given to industry's claim that it was not feasible for manufacturers of smaller vehicles to label specific vehicle jacks with the markings required by AS/NZS 2693:2003 as some specific vehicle jacks are too small to be labelled with the necessary warnings with a required minimum lettering size of 5 mm. Suppliers of specific vehicle jacks would benefit from the adoption of the updated Australian/New Zealand Standard for vehicle jacks.

Vehicle manufacturers would benefit from the provision that specific vehicle jacks manufactured before 1 November 2009 as replacements for jacks supplied with new vehicles which are not replacements for jacks supplied with any towed units such as caravans or trailers, could comply with either AS/NZS 2693:2007 or AS/NZS 2693:2003 or AS/NZS 2693:1993 (with variations).

Suppliers, through their industry associations, have contributed to the development of the Australian/New Zealand Standards for vehicle jacks and ramps. The adoption of the new Australian/New Zealand Standards would allow industry to utilise the latest Standards. It is anticipated at this point that the costs to suppliers in complying with the new requirements in both AS/NZS 2693:2007 and AS/NZS 2640:1994 are low.

Assistance to industry in compliance with the mandatory standards would be provided by the ACCC through an education campaign including the development of a supplier guide for vehicle jacks and a supplier guide for ramps.

### ***Costs and benefits for government***

The costs of maintaining and enforcing the current mandatory standards for vehicle jacks and ramps include; policy development, market surveys and enforcement action. The annual cost to government is approximately \$60,000. Costs associated with enforcing the updated Australian/New Zealand Standards are expected to remain approximately equivalent to the existing standards.

The cost of the proposed education campaign for consumers and suppliers, including a safe use publication for consumers and supplier guides for industry would be approximately \$40,000.

There are benefits to government ensuring the standard of personal consumer safety is maintained. With the improved labelling messages in the vehicle jacks Australian/New Zealand Standard, it is anticipated that updating the mandatory standards would result in additional savings to public health budgets by reducing medical and hospitalisation costs for accidents associated with vehicle jacks and ramps.

## **Option 4: Provision of information to potential consumers**

### ***Costs and benefits for consumers***

One potential cost to consumers in the provision of information is that many consumers may not receive the information despite a targeted education campaign. Without timely reinforcement, the effectiveness of a targeted education campaign may diminish over time to the extent that the warning messages do not reach future users of vehicle jacks and ramps.

Consumers are likely to benefit from the provision of information where a targeted campaign would highlight the hazards associated with the use (and misuse) of vehicle jacks and ramps. It is envisaged that a targeted information campaign would likely reduce injury.

### ***Costs and benefits for business***

Business would essentially suffer no costs with the provision of information to consumers. Some safety-conscious suppliers and retailers may take it upon themselves to accept the costs associated with the re-print of any publications prepared for the information campaign for distribution to vehicle jack and ramps consumers.

Business would benefit from an educated consumer base. A consumer equipped with the relevant safety and safe use information would empower the consumer to purchase a quality product and understand the hazards associated with misuse.

### ***Costs and benefits for government***

Any education campaign to warn consumers of the hazards associated with the use and misuse of vehicle jacks and ramps in absence of effective product standards would be required to be extensive. Given the nature of the products, and that many Australians enjoy working on their motor vehicles; the size of an education campaign required to ensure that all potential consumers are made aware of the hazards would need to be extensive.

Publications produced for the education campaign, advising of quality and safe use issues, should be provided to (where possible) all retailers of vehicle jacks and ramps to be displayed at point of sale. It is estimated that the costs associated with producing a media campaign and related education materials including publications would be in excess of \$85,000. The provision of education materials to potential consumers would be required to be more intensive than the education campaign associated with the introduction of new mandatory standards (see option 3).

The provision of information and an education campaign advising potential users of vehicle jacks and ramps of the hazards associated with the use and misuse of those products may result in a reduction of injuries and deaths. A reduction in injuries and deaths would translate to additional savings to public health budgets by reducing medical and hospitalisation costs for accidents associated with vehicle jacks and ramps.

Whilst an immediate reduction in injuries and deaths could be expected from the provision of information and an education campaign, it is expected that any reduction in injury rates and resultant savings to health budgets would be a short-term gain only. Without continuous education consumers are likely to lose or disregard the safety message and revert to uneducated purchasing decisions and/or unsafe use of the product/s. It is expected the unsafe use of vehicle jacks and ramps would lead to an increase in injuries and deaths.

## **Business Cost Calculator**

In addition to the above cost-benefit analysis, the Australian Government requires the use of the business cost calculator (BCC) to assess whether the impending regulations are likely to involve business compliance costs. The BCC has been developed to provide an automated and standard process for quantifying compliance costs of regulation on business. The BCC identifies eight categories of compliance tasks and a ninth category to capture costs not readily classifiable to one of the eight (see table below).

### *Compliance Task Categories in the BCC*

<b><i>Compliance Tasks</i></b>	<b><i>Examples</i></b>
<b>Notification</b> — businesses incur costs when they are required to report certain events to a regulatory authority, either before or after the event has taken place.	Businesses may be required to notify a public authority before they are permitted to sell food.
<b>Education</b> — costs are incurred by business in keeping abreast of regulatory requirements.	Businesses may be required to obtain the details of new legislation and communicate the new requirements to staff.
<b>Permission</b> — costs are incurred in applying for and maintaining permission to conduct an activity.	Businesses may be required to conduct a police check before legally being able to employ staff.
<b>Purchase cost</b> — in order to comply with regulation, businesses may have to purchase materials or equipment.	Businesses may be required to have a fire extinguisher on site.
<b>Record keeping</b> — businesses incur costs when required to keep statutory documents up to-date.	Businesses may be required to keep records of accidents that occur at the workplace.
<b>Enforcement</b> — businesses incur costs when cooperating with audits, inspections and regulatory enforcement activities.	Businesses may have to bear the costs of supervising government inspectors on site during checks of compliance with non-smoking laws.
<b>Publication and documentation</b> — costs are incurred when producing documents required for third parties.	Businesses may be required to display warning signs around dangerous equipment or to display a sign at the entrance to home-based business premises.
<b>Procedural</b> — some regulations impose costs of a non-administrative nature.	Businesses may be required to conduct a fire safety drill several times a year.
<b>Other</b> — when a compliance cost cannot be categorised into one of the above categories, it can be placed into this category.	

**Suppliers please note:** in order to satisfy the requirement of the BCC, please advise of the compliance task costs or savings (in A\$ figures) associated with the introduction of revised mandatory product safety standards for vehicle jacks and ramps as set out in option 3. For each compliance task above, information is required about:

- whether the task is an internal cost or outsourced cost;
- whether the task is a start-up or ongoing cost;
- the number of businesses that will have to undertake that compliance activity;
- how long the activity will take and how often it will have to be done;
- who will perform the task and the associated labour cost, including on costs (for tasks carried out internally), or the purchase cost (for tasks that are outsourced or where the task is the purchase of materials or equipment); and
- supporting evidence for this information and the level of certainty.

For more information on the BCC, please visit the Office of Best Practice Review website at [www.obpr.gov.au](http://www.obpr.gov.au), or contact the helpdesk by telephone on 02 6240 3290 or by email at [helpdesk@obpr.gov.au](mailto:helpdesk@obpr.gov.au).

### **International standards**

International parity in product standards is an important objective. The Commonwealth Government has obligations to ensure that its regulations do not impose unnecessary barriers to trade by setting standards that make compliance by overseas manufacturers difficult. However, under the terms of the Agreement on Technical Barriers to Trade, a government may regulate to protect human life and health, especially where it can be shown to be necessary to achieve reasonable levels of consumer protection.

Industry sources advise that the safety standard most commonly adopted by suppliers of jacks in overseas markets is the European Union's Directive for the safety of machinery, EN 1494:2000 *Mobile or movable jacks and associated lifting equipment*. The EU Directive specifies loading requirements and the provision of user instructions for lifting equipment. In comparison to the Australian/New Zealand Standard for vehicle jacks, the EU requirements are considered more general and elementary.

**Views are invited** on the comparison of Australian/New Zealand Standard with international standards.

## **CONCLUSION**

Evidence of past market behaviour indicates that the industry self-regulation option would not be effective in excluding from the market vehicle jacks and ramps that do not meet safety standards. While some suppliers would be expected to continue to supply products that comply with Australian Standards, others would be able to

supply cheaper, non-compliant products in order to maintain a share of the market. The costs of implementing the industry self-regulation option would be borne by industry associations in the administration of voluntary codes of practice, and by consumers and the community in dealing with the effects of increased product-related accidents, resulting from vehicle jacks and ramps that do not provide a reasonable level of safety.

At the present time the mandatory safety standard for vehicle jacks requires compliance with the superseded 1993 and 2003 versions (with variations) of AS/NZS 2693. It is proposed that a new mandatory standard be declared referencing the 2007 version of AS/NZS 2693.

It would be beneficial to both industry and consumers to adopt the Australian/New Zealand Standard AS/NZS 2693:2007 *Vehicle jacks* (with variations) as the mandatory standard, as per option 3, so that suppliers can utilise the latest Australian/New Zealand Standard and consumers can benefit from the corresponding improvements in safety.

It is proposed that a new mandatory standard for ramps be declared. The new standard for ramps would replace the current mandatory standard but continue to reference Australian/New Zealand Standard AS/NZS 2640:1994 which has not been revised by Standards Australia to date. The retention of this mandatory standard is justified as an injury reduction mechanism.

The ACCC applies a range of strategies to address product safety. The introduction of a mandatory standard is one of several strategies. The revision of the mandatory standards would be accompanied by a consumer and industry education campaign.

This proposal will be circulated for consideration by interested groups to verify that the new standards are acceptable and would not be likely to create any undue difficulties in the market.

## **IMPLEMENTATION**

Following consideration of consultation outcomes, the new mandatory standards would be gazetted as soon as possible.

Industry will require time to adjust to the new requirements of the mandatory standard for vehicle jacks. To comply with the new requirements, suppliers will need to develop new product labelling, to ensure that products comply with the new performance requirements, and to clear existing stocks not produced in accordance with the new requirements. Accordingly, it is proposed that all vehicle jacks supplied from 1 November 2009 would be required to comply with the 2007 version of AS/NZS 2693 (with variations). However, special requirements have been provided such that specific vehicle jacks manufactured before 1 November 2009 as replacements for jacks supplied with new vehicles which are not replacements for jacks supplied with any towed units such as caravans or trailers, can comply with either AS/NZS 2693:2007 or AS/NZS 2693:2003 or AS/NZS 2693:1993 (with variations).

**Feedback is sought** from industry regarding duration of the transition period.

Industry will not require time to adjust to the new mandatory standard for ramps as it will continue to reference Australian/New Zealand Standard AS/NZS 2640:1994 that has not been revised by Standards Australia to date.

## **MONITORING AND REVIEW**

The new standards will be monitored through feedback from industry, consumers, injury analysts and standards enforcement authorities to ensure the new standards do not cause any unnecessary disruption to the market.

It is government policy to periodically review mandatory standards to ensure they remain current and relevant to market needs. The new standards will remain in force until they are subject to another review in approximately 5 years or sooner in the event of changed circumstances, such as when the relevant Australian/New Zealand source standards are amended.

## **INVITATION OF VIEWS**

- Views are invited on whether pictograms are as effective as warning notices.
  - If so, which pictogram(s) would be effective in representing the hazard? Stakeholders are invited to provide views.
  - In particular, what evidence exists to demonstrate that pictograms are as effective in influencing consumer behaviour than written warnings?
- Industry is invited to indicate costs of self regulation.
- Views are invited on the comparison of Australian/New Zealand Standard with international standards.
- Feedback is sought from industry regarding duration of the transition period.

## COMMONWEALTH OF AUSTRALIA

*Trade Practices Act 1974*

Consumer Protection Notice No. xx of 2008

### CONSUMER PRODUCT SAFETY STANDARD FOR VEHICLE JACKS

I, Chris Bowen, pursuant to section 65E (1) of the Trade Practices Act 1974, hereby REVOKE the consumer product safety standard for vehicle jacks declared in Consumer Protection Notice No.15 of 2003 and published in Gazette GN 50 of 17 December 2003; and for the purposes of section 65C of that Act, DECLARE that the consumer product safety standard for vehicle jacks is the standards approved by Standards Australia specified in Division 1 of the Schedule, as varied by Division 2 of the Schedule.

#### THE SCHEDULE

##### Division 1: The Standards

Australian/New Zealand Standard AS/NZS 2693:2007 *Vehicle jacks*, published by Standards Australia on 1 February 2007;

Or

Australian/New Zealand Standard AS/NZS 2693:2003 *Vehicle jacks*, published by Standards Australia on 20 March 2003, as amended by, and incorporating, all amendments approved and published by Standards Australia prior to the date of this instrument;

Or

Australian/New Zealand Standard AS/NZS 2693:1993 *Vehicle jacks*, published by Standards Australia on 16 August 1993, as amended by, and incorporating, all amendments approved and published by Standards Australia prior to the date of this instrument.

##### Division 2: Variations

Australian/New Zealand Standard AS/NZS 2693:2007 is varied by:

- (i) Deleting clause 1 and inserting a new clause 1 as follows:

#### “1 SCOPE

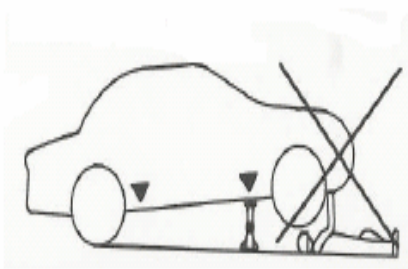
This Standard specifies requirements for the design, construction, performance and labelling of jacks with a nominated capacity of up to and including 8 tonnes, which are designed to raise vehicles. It does not include devices that raise an entire vehicle.

A summary of requirements according to vehicle jack type is given in Appendix A.”;

- (ii) Deleting clause 6.3;

- (iii) In clause 6.7(c) deleting the words “using an operating force not exceeding that specified in Clause 6.3”;
- (iv) In Appendix F, clause F3(h), deleting the second sentence “Do not exceed the operating force specified in Clause 6.3.”, and in clause F4(c), deleting the words “without exceeding the operating force specified in Clause 6.3”;
- (v) In clause 8.3(a), deleting the words “general and specific purpose jacks” and replacing with “general purpose and specific vehicle jacks”; and
- (vi) Deleting clause 7.1.2(f) and inserting a new clause 7.1.2(f) as follows:
  - “(f) Warning advice against getting under a vehicle that is supported by a jack. This warning advice may be provided in any one of the following pictogram forms:

Type one pictogram; or



Type two pictogram; or



Type three pictogram."



Australian/New Zealand Standard AS/NZS 2693:2003 is varied by:

- (vii) Deleting clause 1 and inserting a new clause 1 as follows:

**“1 SCOPE**

This Standard specifies requirements for the design, construction, performance and labelling of jacks with a nominated capacity of up to and including 8 tonnes, which are designed to raise vehicles. It does not include devices that raise an entire vehicle.

NOTE: A summary of requirements according to vehicle jack type is given in Appendix A.”;

- (viii) Deleting clauses 5.8 and 6.3;
- (ix) In clause 6.7(c) deleting the words “using an operating force not exceeding that specified in Clause 6.3”; and
- (x) In Appendix F, clause F3(h), deleting the second sentence “Do not exceed the operating force specified in Clause 6.3”, and in clause F4(c), deleting the words “without exceeding the operating force specified in Clause 6.3”.

Australian/New Zealand Standard AS/NZS 2693:1993 is varied by:

- (xi) Deleting clause 1 and inserting a new clause 1 as follows:

**“1 SCOPE**

This Standard specifies requirements for the design, construction, performance and labelling of jacks with a nominated capacity of up to and including 8 tonnes, which are designed to raise vehicles. It does not include devices that raise an entire vehicle.

NOTE: A summary of requirements according to vehicle jack type is given in Appendix A.”; and

- (xii) Deleting clause 5.9;

with the condition that:

- (xiii) the AS/NZS 2693:2003 and AS/NZS 2693:1993 will cease to have effect from 1 November 2009, except for specific vehicle jacks manufactured before 1 November 2009 as replacements for jacks originally supplied with new vehicles (which are not replacement jacks for caravans or any other towed vehicles).

Dated this xxth day of month 2008

Chris Bowen  
Minister for Competition Policy and Consumer Affairs

**COMMONWEALTH OF AUSTRALIA**

*Trade Practices Act 1974*

Consumer Protection Notice No. xx of 2008

**CONSUMER PRODUCT SAFETY STANDARD FOR PORTABLE RAMPS FOR VEHICLES**

I, Chris Bowen, pursuant to section 65E (1) of the Trade Practices Act 1974, hereby REVOKE the consumer product safety standard for portable ramps for vehicles declared in Consumer Protection Notice No.6 of 1997 and published in Gazette GN 11 of 19 March 1997; and for the purposes of section 65C of that Act, DECLARE that the consumer product safety standard for portable ramps for vehicles is the standard approved by Standards Australia specified in Division 1 of the Schedule, as varied by Division 2 of the Schedule.

**THE SCHEDULE**

**Division 1: The Standard**

Australian/New Zealand Standard AS/NZS 2640:1994 *Portable ramps for vehicles*, published by Standards Australia on 11 April 1994.

**Division 2: Variations**

Australian/New Zealand Standard AS/NZS 2693:2007 is varied by:

- (i) Deleting clause 1 and inserting a new clause 1 as follows:  
“1 **SCOPE** This Standard specifies requirements for the design, construction, performance and marking of portable vehicle ramps with a nominated capacity of up to and including 1.5 tonnes.”.

Dated this xxth day of month 2008

Chris Bowen  
Minister for Competition Policy and Consumer Affairs