

**AIMVIA**



**JANUARY 2025 SUBMISSION FOR**

# **ADR HARMONISATION REVIEW 2024-25**

**BY**

**AUSTRALIAN IMPORTED  
MOTOR VEHICLE INDUSTRY  
ASSOCIATION**

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# ABOUT AIMVIA



The Australian Imported Motor Vehicle Industry Association (AIMVIA) represents businesses associated with the independent importation, preparation, and sale of vehicles; founding members include international logistics, shipping and inspection companies, as well as importers, compliance specialists and vehicle retailers.

Our position is that Australian consumers and motorists should be entitled and enabled to access the widest possible choice of quality used vehicles that comply with Australia's safety and environmental standards. Such choice would ensure competition and the best possible pricing of vehicles.

The creation and expansion of an independent vehicle importation industry would create opportunities not only for consumers, but for Australian entrepreneurs. By creating sufficient demand from local owners, new and innovative small businesses can flourish in an industry with a potential global market.

*"Provided relaxing the import restrictions were undertaken within an appropriate regulatory standards and compliance framework, net benefits would arise through lower prices and/or improved product specification (vehicle features) as well as increased product choice and availability for vehicle buyers."* Productivity Commission, March 2014

*"Deregulating the used import trade has the potential to unlock considerable economic net benefits. The economic analysis shows that the benefits outweigh the costs of deregulating the used import trade by between \$805 million and \$1,943 million." ... "As the price of used vehicles decline the purchasing power of vehicle buyers will increase resulting in accelerated retirements of older vehicles - now priced out of the market. This will have the effect of reducing the age of the vehicle fleet."* Cost Benefit Analysis of Reduced Import Vehicle Restrictions (Castalia I) commissioned by Department of Infrastructure and Regional Development, July 2014.



# PREAMBLE

Australian Design Rules (ADRs) have traditionally formed an important role in reducing vehicle emissions and improving safety outcomes for Australian motorists since their introduction.

More recently, there has been a strong push towards global harmonisation of technical regulations for passenger vehicles. Given the relatively small size of the Australian vehicle fleet, ADRs are fast becoming an anachronism; an unnecessary regulatory orphan in a world where all vehicles are sourced from overseas markets that, in many cases, have stricter safety and emissions regulations than our own.

Much of the discussion in this review will surely focus on new vehicles and ensuring that Australia's road vehicle standards legislation accepts vehicles built to equivalent or higher overseas standards, such as Japan, Europe or the USA, rather than 'forcing a square peg into a round hole' by making manufacturers create a unique vehicle specification for the Australian market.

While our submission does not focus on the plight of new vehicles, AIMVIA supports the view that the burden of proof should be on Australian regulators to show why a unique standard *is* required for our country, rather than manufacturers and distributors having to demonstrate why it *isn't*.

Crucially for our industry, AIMVIA would like to see a similar stance taken with imported used vehicles. Like new car manufacturers, our members are sourcing vehicles from markets that have achieved similar or better safety and emissions outcomes than Australia, and yet importers are instead forced to navigate a complex minefield of comparisons between ADRs and overseas standards, and are then expected to provide supplementary evidence that is almost impossible to obtain. As a result, our industry is now drowning in red tape, and small businesses are struggling with the significantly increased administrative burden.

# THE CURRENT SITUATION



In recent times, Australian Design Rules (ADRs) have continued on a trajectory towards complete harmonisation with the United Nations Global Technical Regulations. This is a step in the right direction, particularly as many of the countries supplying vehicles to our market are doing the same.

However, it has become problematic in three areas:

**1) Australian Design Rules are the only current pathway through which vehicles, both new and used, can enter the country for road use.** The Road Vehicle Standards Act does not allow for vehicles built to Japanese standards, for example, to be considered an acceptable alternative to ADRs. This means all vehicles must be manufactured (in the case of new vehicles) or modified on arrival (in the case of used vehicles) to meet Australia's unique design requirements.

**2) Individual countries implement changes to legislation and regulations at their own rate.** Autonomous Emergency Braking (AEB) became mandatory for all new vehicles sold in the European Union, while it will not become mandatory in Australia until March 2025. In other situations, new or amended ADRs (such as ADR85) have been adopted here earlier than overseas markets. This 'leapfrogging' of regulation changes sets up scenarios where manufacturers and vehicle importers must navigate a complex minefield of differing legislative requirements between the source market and in Australia. The consequences of incorrect specification of vehicles can be quite severe for importers.

**3) Harmonisation doesn't always mean harmonisation.** Even when adopting UN Technical Regulations, Australian regulators have often only partially adopted them, making seemingly minor amendments that can have a huge impact on vehicle importers. These amendments are invariably made without consultation with industry stakeholders, who often find out about such changes after it is too late.

# CASE STUDIES



## **Case 1:**

ADRs 77 and 78 govern the use of High-Intensity Discharge Headlights, and were harmonised with UN ECE Regulation 98. In Europe, countries regularly experience sub-zero temperatures with snow, ice and sleet, and Regulation 98 therefore mandated that vehicles fitted with HID headlights must also have a washing system to clear away ice frozen on the lights, to prevent the emitted light refracting and dazzling oncoming motorists. Other source markets, such as Japan and the United States, did not include this requirement for their vehicles as it was not considered necessary. Likewise, there are very few places in Australia where headlights are likely to freeze over, and yet it was incorporated into our Design Rules.

## **The Impact:**

Used vehicles imported from Japan and the United States through the Specialist and Enthusiast Vehicle Scheme (SEVS) were unable to meet the requirements of ADR 77, as they did not have headlight washer systems fitted when first sold in their home markets. As a result, importers had the option of designing and fitting an aftermarket headlight washing system (usually a very complex and expensive task) to meet the ADR, or removing the HID lighting all together. Almost all opted for the latter, removing the HID bulbs, ballasts and wiring, and fitting weaker halogen bulbs into lenses designed for far brighter lights. In short, it has resulted in vehicles being retro-fitted with dangerously poor headlights in order to prevent a scenario that was never likely to occur in Australia. Our industry has been petitioning for amendments to ADR 77 requirements since 2007, but our efforts have so far fallen on deaf ears.

The irony is that there is still no Australian Design Rule governing the use of LED headlights, and therefore there is no requirement for washing systems, despite many factory LED setups being brighter than the older HID headlights.

**Case 2:**

ADR 85 governs side pole impact protection, and accepts UN ECE Regulation 135 as a suitable equivalent standard. UN ECE R135 version 00 allowed for two different testing speeds, depending on the width of the vehicle: 32km/h for vehicles over 1.5m width, and 27km/h for vehicles under 1.5m width. Australian regulators later adopted the 01 standard, which expected all vehicles to be tested at 32km/h while Japan, with a huge number of 'kei class' city vehicles that are mandated to 1.47m width, opted to maintain the lower testing speed for these narrower vehicles. Again, this mismatch between standards was not communicated to stakeholders when the decision was made, nor to other parts of the Department of Infrastructure, evidently, as neither side realised that kei class vehicles fell foul of ADR 85 before thousands of vehicles had been imported and complied for road use.

**The Impact:**

The Department of Infrastructure, without warning, announced an immediate cancellation of the model reports of a range of kei class vehicles, resulting in at least 45 cars being purchased and approved for importation, only for the owners to find their vehicles would not be able to be registered for road use half way through the importation process. This knee-jerk decision was made under the guise of road safety, and yet the Department seemed to have no issue with the supposedly unsafe kei class vehicles that were already complied and road registered in Australia, not to mention the millions of kei class vehicles being driven on roads in Japan.

Many importers, both individuals and small businesses, found themselves tens of thousands of dollars out of pocket, and a whole class of cheap, lightweight, fuel-efficient vehicles were wiped from the Australian fleet with the stroke of a pen.

It's worth noting that vehicles imported through the Left Hand Drive and Rarity criteria are granted exemptions from meeting ADR 85. It is disappointing that the Department opted not to extend the same courtesy to kei class vehicles.

**Case 3:**

ADR 79/04 governs vehicle emissions standards and is considered an equivalent to the superseded "Euro 5" standard in Europe. The RVSA requires that used vehicles imported through the Environmental criterion of SEVS meet the current Australian emissions standard at the time of application, irrespective of when the vehicle was built. Prior to the introduction of the RVSA, stakeholders were advised that the Japanese emissions standard JC08 would be considered an equivalent standard to ADR 79/04, which would make it relatively easy for applying for eligibility for Environmental vehicles as all manufacturers tested their vehicles to JC08 prior to 2018. After the RVSA was introduced, the Department decided that, because the durability cycle for the JC08 test (80,000km) was lower than that of ADR79/04 (160,000km), JC08 would no longer be considered an equivalent standard, effectively meaning Environmental vehicles sourced from Japan would have to provide evidence of being tested to WLTP 2018 standards, which is equivalent to "Euro 6": a standard that even new vehicles are not currently required to meet.

**The Impact:**

A wide variety of good quality, cheap, fuel-efficient hybrid vehicles (particularly people movers) have now been struck from the eligibility list. The Department's eligibility assessors have continued to move the goalposts, so models that were previously eligible and sold prior to and after the 2018 WLTP threshold have had their build date ranges slashed, despite proving the model has been tested to the newer standard. WLTP emissions data for a variety of makes and models supplied direct from the Japanese government's website has not been accepted as suitable evidence by the Department. Requests for Further Information have required that the applicants (often private citizens) supply highly technical evidence that is not available online and impossible to obtain from the vehicle manufacturers. Ultimately, consumers have lost access to a wide range of cheap, low-emissions fuel-efficient vehicles at a time when budgets are stretched for many families.



# RISKS AND OPPORTUNITIES

## **Risks:**

Within government, there still exists a mindset that, because Australia's environment is unique, so should be our vehicle safety standards.

But any of the conditions experienced driving in Australia can be experienced in many other parts of the world. Africa has dry, dusty dirt roads with large animals crossing. Southern Europe regularly experiences temperatures north of 40 degrees celsius. Japan experiences 100 percent humidity for extended periods during summer, as well as sub zero temperatures during winter.

There is no reason that vehicles originally supplied to select countries with similar standards to our own (such as United States, New Zealand, Japan and United Kingdom/European Union) would be unsuitable for our local conditions.

Thousands of such vehicles, built to overseas standards, are personally imported to Australia each year, brought here by their owners when they either move to or return to Australia. These vehicles are not 'complied' as such, but instead are checked for roadworthiness by state transport authorities and enter the Australian fleet. The personal import pathway has been in place for more than 25 years, and yet in that time there has never been a documented example of a personally-imported vehicle causing injury or death where the overseas specification of the vehicle was a contributing factor. They have never posed a risk.

Conversely, complying a vehicle to ADRs has never been a guarantee that a vehicle is safe, either. A string of one-star and zero-star ANCAP testing results for new models is testament to this.



**Opportunities:**

When the RVSA was first being proposed and discussed with stakeholders, the Department of Infrastructure assured our industry that the new legislation would reduce red tape and that the cost to consumers would be reduced accordingly. Instead the opposite has been true: complying used vehicles under the RVSA has become more complex, and the new scheme demands far more from the workshops in terms of administration and paperwork. Increased time spent in the office, in turn, becomes a cost that must be passed on to the importer or purchaser.

Reducing the red tape associated with our industry will be crucial to improving the productivity of hundreds of businesses, both large and small, and changes to the ADRs, and how they are applied to used vehicles, will form a significant part of this process.

It is vital for our sector that alignment of ADRs to overseas standards is applied retrospectively to used vehicles. Without hard evidence to support a case for a unique standard, vehicles built to standards from selected countries should be considered a suitable alternative to an ADR.

We thank you for your time.