

RVM Australia
Submission in response to
“Consultation Paper on *Motor Vehicle Safety Act*
***1989*”**

21 JUNE 2013

Contents

Summary.....	3
Responses to Questions within “Consultation Paper on the Motor Vehicle Safety Act 1989”.....	3
Section 2A – Comments on Object#1 - to achieve uniform vehicle standards to apply to new vehicles in Australia.....	3
Section 2A – Comments on Object #2 - to regulate the first supply of used imported vehicles.	4
Section 2b – Comment on the public policy objectives.....	5
Section 3a – Comment on the Object to achieve uniform vehicle standards to apply to new vehicles - National Standards, Certification and Approval of Road Vehicles (Parts 2 and 3 of the Act)	6
Section 3b – Comment on the Object to achieve uniform vehicle standards to apply to new vehicles - Administration, Court Proceedings and Miscellaneous (Parts 5, 6 and 7 of Act).....	7
Section 4 – Comment of the Object to regulate first supply to market of used imported vehicles	8
Section 4a - Comment on Registered Automotive Workshops (Part 4 of the Act)	8
Section 4b – Comment on Other Concessional Options (Part 4 of Act and Regulations)	9
Other Comments	10
Importation and Registration Processes	10
Process Improvements	11
Process Improvement - At Importation Approval	12
Process Improvement - At Customs Clearance	13
Process Improvement - At Modification / Assembly.....	13
Process Improvement - At Registration.....	14
Process Improvement - At Point of Sale	14
Recreational Vehicle Manufacturing Accreditation Program (RVMAP)	15
Outcomes.....	15

Summary

Recreational Vehicle Manufacturers across the nation regularly highlight the need for all RV suppliers, be they local manufacturers or importers, to operate within a level playing field and abide by the same set of product compliance rules and regulations.

This submission provides RVM Australia’s response to the questions raised within the “Consultation Paper on the *Motor Vehicle Safety Act 1989*” and also describes the specific actions that should be undertaken to strengthen the compliance regime, particularly for RV imports.

It should be remembered that despite the recommendations included in this submission, it is already an offence to supply to the market (i.e. to sell for use on a public road) a vehicle that has been imported or manufactured for use in transport but does not meet the Australian Design Rules or is not fitted with an Identification Plate, Used Import Plate or Personal Import Plate.

Responses to Questions within “Consultation Paper on the Motor Vehicle Safety Act 1989”

Section 2A – Comments on Object#1 - to achieve uniform vehicle standards to apply to new vehicles in Australia

Have the Act and its Regulations effectively reduced this burden?

RVM Australia believes the Act & Regulations have reduced some of the burden associated with State Regulations, but there are still many standards, particularly for gas and electricity standards, that are different between each state for Small Trailers and Motorhomes.

State Regulations should be considered for rationalisation within a national framework to reduce the burden on importers and local manufacturers:

Considering the range of concessions to the ADRs available through the low volume scheme and other discretionary arrangements for new vehicles (e.g. over length vehicles, special purpose vehicles), is this object still appropriate?

RVM Australia believes the object is still appropriate as the number of imported trailers is greater than the number of locally made trailers. RV imports are low volume when compared with the motor industry but imports of trailers are comparable with local production.

Section 2A – Comments on Object #2 - to regulate the first supply of used imported vehicles.

Has the Act achieved the desired balance and are appropriate categories of used imported vehicles covered?

The Act has permitted the following categories of RV to be imported into Australia:

- Large Motorhomes from North America
- Camper Trailers from Asia
- Caravans from Europe and South Africa

Data on the true level of importation of RVs is not available and thus RVM Australia is not able to state whether the level of importation of RVs is at the desired level. RVM Australia will be approaching the Department of Infrastructure and Transport for this data and will provide comment when the data is available.

Based on RV registration and manufacturing data, RVM Australia believes that RV imports are approximately 5-15% of all new RV registrations on a national basis and increasing.

Given the global environment for the automotive industry, should there be no or fewer restrictions on the importation of used vehicles?

Restrictions should still remain to ensure a level playing field for local manufacturers whilst maintaining road safety expectations.

To further support the Act a recognised body should be engaged to ensure imported RVs meet local standards, as registration offices do not have the necessary knowledge base in the RV segment. Currently, compliance checks are not adequately enforced.

Section 2b – Comment on the public policy objectives

Do the objects of the legislation still positively contribute to the identified broad policy objectives?

RVM Australia is strongly supportive of nationally applied uniform standards and the principal of a “level playing field” for locally manufactured and imported RVs alike.

Should the objects of the Act be amended to increase the legislation’s contribution to the broad policy objectives or should the objects be amended to focus on fewer policy objectives?

RVM Australia is of the view that the application by the States (ie differing registration procedures) effectively undermines federal regulations and standards (ie uniform legislation) resulting in a two-tiered regulatory system that introduces a weakness in managing product compliance.

Are there non-regulatory ways of achieving the same policy objectives of road safety, environment, security and consumer choice?

The education of consumers to look for and preferentially purchase ADR-compliant RVs would significantly enhance road safety outcomes.

Education alone will not be sufficient and may by itself lead to unsafe outcomes unless a compliance regime remains at the manufacturer and importer level.

Therefore RVM Australia recommends that priority be given to strengthening the implementation and enforcement of existing regulations, rather than creating new regulations.

What key principles should underpin any changes to the Act?

Principles should assume and require that State Vehicle Registration Bodies actually perform ADR-compliance checks and enforce outcomes at the point of registration. This could be outsourced to expert / approved organisations (eg RVM Australia) to perform ADR-compliance checks on all new and imported RVs.

Self –regulation is still appropriate for locally made RVs. Peak associations should continue to communicate and assist members with compliance requirements.

Section 3a – Comment on the Object to achieve uniform vehicle standards to apply to new vehicles - National Standards, Certification and Approval of Road Vehicles (Parts 2 and 3 of the Act)

In the context of a growing supply market, is the Act sufficiently rigorous to ensure the integrity of the ADRs and compliance of vehicles with the ADRs, including through testing?

The Act is sufficiently rigorous; its enforcement is not.

ADR Compliance Checks by designated peak association bodies would significantly improve enforcement.

What are the arguments for retaining separate ADRs over simply adopting UNECE international standards?

ADRs are a known quantity in Australian conditions and should not be compromised. ARO to UNECE harmonisation makes sense but not at the abolition or reduction of ADRs.

Proof of ADR compliance for imported vehicles is necessary, not just a statement. To support this, a clear and concise set of ADRs just for RVs should be created. Although VSB1 provides guidance reference to many ADRs and within VSB1 making it extremely difficult to cover all requirements.

While the Act facilitates the first supply to the Australian market of road vehicles and automotive parts complying with ADRs, are there any gaps in the legislation with regard to testing and evidence requirements?

Yes, there are gaps in the content of IO Forms and supporting documentation, making it possible for RVs to be imported, particularly partially assembled RVs, and be non-compliant, especially given that State Registration Bodies may not fully check RVs at the point of registration. Full compliance check by model and type is necessary.

Does the Act create any barriers to the export of vehicles and automotive parts?

RVM Australia has no comment on this issue.

Section 3b – Comment on the Object to achieve uniform vehicle standards to apply to new vehicles - Administration, Court Proceedings and Miscellaneous (Parts 5, 6 and 7 of Act)

For these Parts of the Act, is there sufficient transparency and clarity so that the reasons for decisions are understandable? What improvements could be made, if any?

The Compliance Behaviour Model contained in the Department’s 2013 MVSA National Compliance Strategy is clear and appropriate.

Do these Parts of the Act effectively support the primary objective of road safety through the compliance and audit process, legislated powers and penalties or could they be enhanced?

Yes, if they are applied as they should be.

Should legislative powers for the recall of vehicles be vested in the Act or remain with Australian Consumer Law?

That may be much better for safety outcomes, rather than relying on actions driven by ACCC or post-fatality investigations.

Are the links with other legislation clear and effective? Are there any jurisdictional gaps that need to be addressed in the Act?

Links with State Gas and Electrical Standards are poor.

Importation of partially assembled vehicles is not fully covered by the Act and relies on State Registration Bodies performing their duties and using their own State legislation. Therefore there is scope for gaps to be taken advantage of.

Any other comments on the effectiveness of the administrative provisions of the Act in supporting the road safety policy objective of the Act?

RVM Australia is supportive of the Compliance Behaviour Model contained in the 2013 MVSA National Compliance Strategy and also supportive of the response and actions described in that model in dealing with non-compliance.

Section 4 – Comment of the Object to regulate first supply to market of used imported vehicles

Is there a case for extension of the coverage of the Act to include safety of non-road vehicles or those that cross over between on-road and off road?

Yes.

Many aspects of the design of off-road RVs should be more stringent than on-road RVs. These should be addressed during importation (and for locally made RVs as well) so as on-road RVs are actually safe when they return to on-road use and have not been damaged whilst in off-road use.

Section 4a - Comment on Registered Automotive Workshops (Part 4 of the Act)

RVM Australia has no comment on Registered Automotive Workshops.

Data is required on the number of RVs being assembled via RAWS prior to any specific comment being made. RVM Australia will request this information from the Department of Infrastructure and Transport.

Section 4b – Comment on Other Concessional Options (Part 4 of Act and Regulations)

Should the Act continue to provide regulation of used vehicle through concessional schemes? If no, what other mechanisms should be considered to control the importation and supply to the market of used vehicles?

Yes, the Act should continue to provide regulation. It must also ensure implementation of ADR-compliance checks through resourcing and technical knowledge of inspectors within DIT, AQIS and State Vehicle Registration Bodies.

In retaining the concessional schemes, are each of the current options still warranted or can they be rationalised?

Given 24,256 trailers were supplied to the Australian market during 2011-12, there is scope to better segment and manage this segment of the market.

RVM Australia strongly supports the introduction of a new dedicated scheme for RVs to reflect the ever increasing complexity of RVs and the fact that RVs are very different to other trailers as they also contain household appliances and accommodate people.

Are there changes to the concessional options which might improve access to a broader range of vehicles for consumers without compromising road safety, environment and security outcomes?

No changes that improve access to RVs by consumers without compromising road safety, environment and security concerns have been identified.

Are there undesirable competitive or equity impacts that should be addressed by changes to the Act or these options?

Yes, there are inequities and undesirable competitive impacts from the current Act. Most of the inequities are due to poor implementation of existing legislative requirements and differing State Legislation.

The inequities are on local manufacturers who comply with ADRs but importers can get their imported RVs through Customs and on to Australian roads without adequate ADR-compliance checks.

Other Comments

The following general comments are provided for consideration under the other terms of reference, in particular those related to:

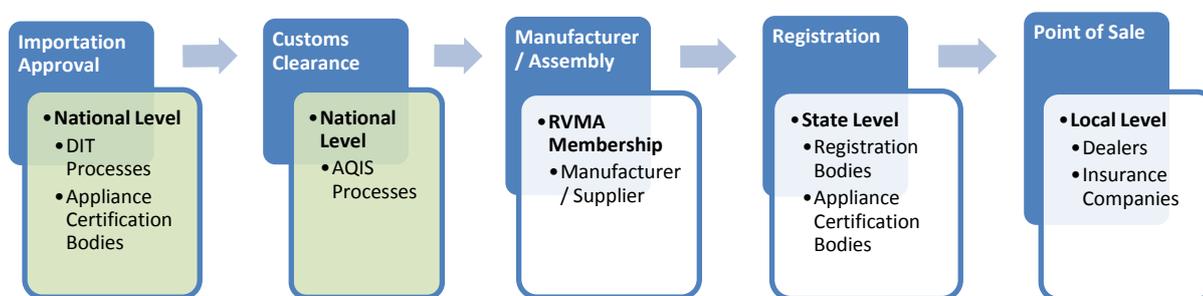
- the needs and requirements of consumers and road users;
- the interaction with the State and Territory regulatory requirements in relation to vehicles;
- the impacts of the aftermarket on the integrity of the Australian Design Rules (ADRs);
- Australia’s international obligations in implementing standards relating to vehicle safety, emissions and other standards;
- the trends relating to the current concessional schemes and emerging pressures;
- the regulatory burden on business, particularly small business, and enhancing productivity.

Importation and Registration Processes

Importation of RVs may occur under a number of schemes, most of which are aimed at providing consumers with vehicle choice and flexibility whilst ensuring safety and environmental objectives are not compromised.

Consumers & Road Users need confidence that imported product is as safe as required by the *Motor Vehicle Safety Act 1989*.

Within the current Importation and Registration process, there are five key points at which non-compliances may be allowed to pass undetected. A multi-pronged approach should be undertaken with priority given to nation-wide processes – namely Importation Approval and Customs Clearance.



There has been a trend to importation of disassembled RVs. Therefore strengthening of the importation process to ensure it cannot be undermined by lack of compliance checks at vehicle registration.

The burden on importers must be the same as that of Australian small businesses. Streamlining of document and record management through an online system would enhance productivity and reduce risks of non-compliance.

As stated in DIT’s “*National Compliance Strategy for the Motor Vehicle Standards Act 1989*”, State and Territory Registration Authorities will continue to play an important role in ensuring regulatory requirements have been met when conducting registration inspections. Vehicle Standards Bulletin 1 sets out arrangements agreed between the Australian Government and States and Territories through the Australian Motor Vehicle Certification Board for the supply of trailers with an aggregate trailer mass not exceeding 4.5 tonnes.

Therefore strengthening VSB1 is a key lever within the vehicle inspection process to drive compliance with ADRs.

All Gas and Electrical Appliances installed in RVs must, by law, meet Australian Standards.

Appliance certification is in general controlled by uniform state legislation. However, anomalies do exist between states and within the certification process that can lead to appliances not meeting Australian Standards being installed in RVs. These non-compliant appliances are believed to gain installation in RVs through “Second Tier Approval”.

Process Improvements

A number of process changes should be made to reduce importation of non-compliant vehicles.

From analysis of the current importation and registration processes, changes to processes and documentation will reduce the likelihood of non-compliant vehicles being driven on Australian roads. The points at which process changes could occur are at importation, registration and sale.

The earlier in the importation process that a non-compliant vehicle is identified and prevented from importation the better. Thus working with DIT and AQIS will be the most effective approach on a national basis.

In the scenario that non-compliant product is imported, improved control points at the points of registration and sales will also help, but will require more effort as multiple authorities will be involved.

Engagement with dealers and insurance companies as a final control point will also help.

Most documentation used in the importation process is via import application forms (IO1, IO2 etc) and reference Vehicle Safety Bulletin 1 (VSB1). Therefore focus should be on ensuring that these forms are structurally satisfactory and adhered to.

RVM Australia strongly encourages the adoption of national standards for gas and electricity appliances and installation within RVs and the removal of “Second Tier” Approval of Gas Appliances (existing in Queensland). All States & Territories should be required to adopt the National Standards and conduct inspections to enforce the National Standards.

Improvements at all five points have been identified and include:

- At Importation Approval
 - Include a clear checklist within VSB1 and communicate requirements to the industry
 - Mandate the full use of the VSB1 checklist with all RV imports
 - Importers to use improved application forms and provide more supporting details
 - Include a requirement for a certificate to be provided by certified engineer (or RVM Australia)
- At Customs Clearance
 - DIT to provide updated VSB1 Checklists for use by AQIS
 - AQIS to conduct compliance inspections on all RV imports against all ADRs
 - AQIS to increase stringency and deem more RVs to be 'disassembled'
 - If AQIS cannot increase inspections, encourage Customs Agents to offer this service
- At Manufacture / Assembly
 - Include ADR-compliance checks at registration for all RVs imported on a disassembled basis

RVM Australia – Motor Vehicle Safety Act 1989 Consultation Process

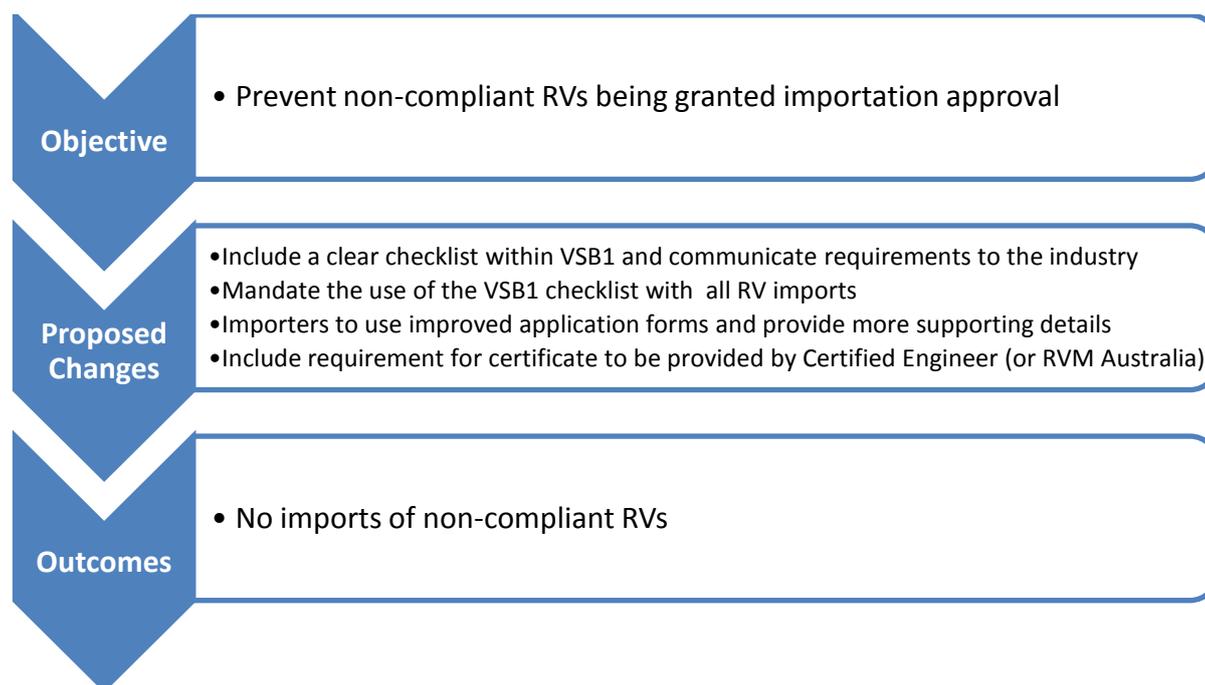
- Accept only nationally recognised Gas Appliance Certification Bodies
- Third Party Insurance to be only issued if compliance with ADRs is demonstrated
- Do not accept Second Tier Approval of Appliances

- At Registration
 - Third Party Insurance to be only issued if RV is demonstrated to be ADR-compliant
 - Do not accept Second Tier Approval of Appliances
 - Force VSB1 requirements down to State Vehicle Registration Bodies

- At Point of Sale
 - Third Party Insurance to be only issued if compliance with ADRs is demonstrated
 - Insurers offer discount for Recreational Vehicle Manufacturing Accreditation Program (RVMAP) / ADR-compliant vehicles
 - Compliance certificates for use by dealers, show-organisers and online retailers for imported and locally-made vehicles
 - RVM Australia and members to actively use the DIT vehicle complaint register

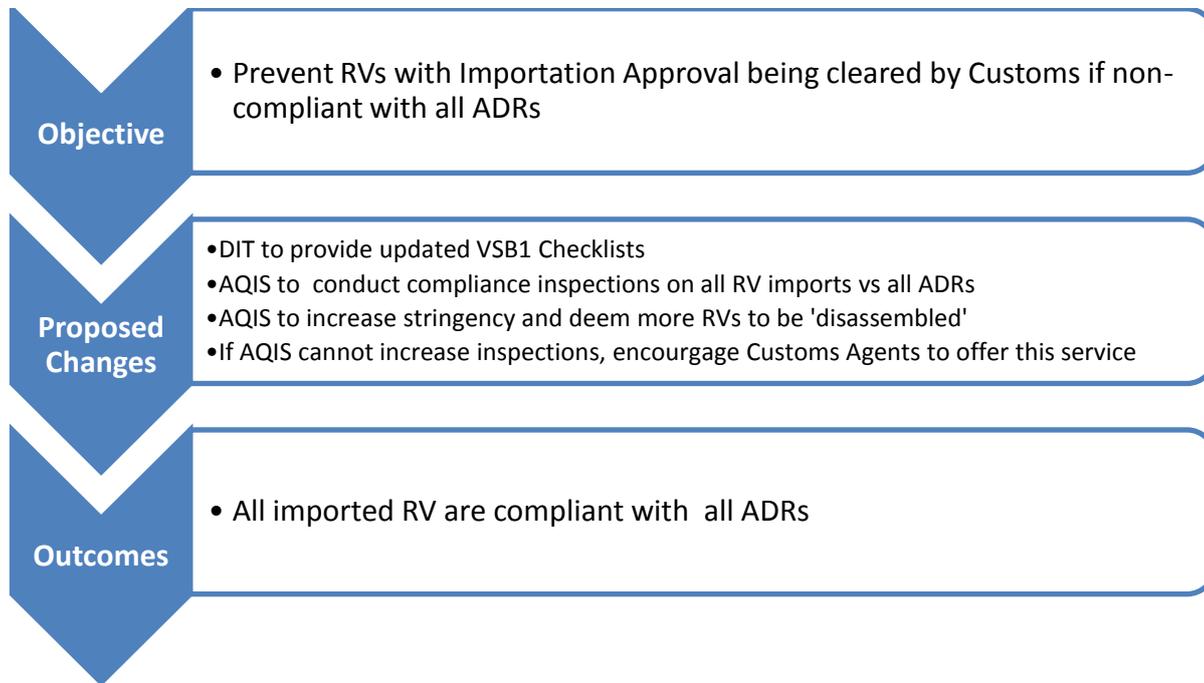
Process Improvement - At Importation Approval

Background: Vehicle Importation Approval may occur without compliance with ADRs



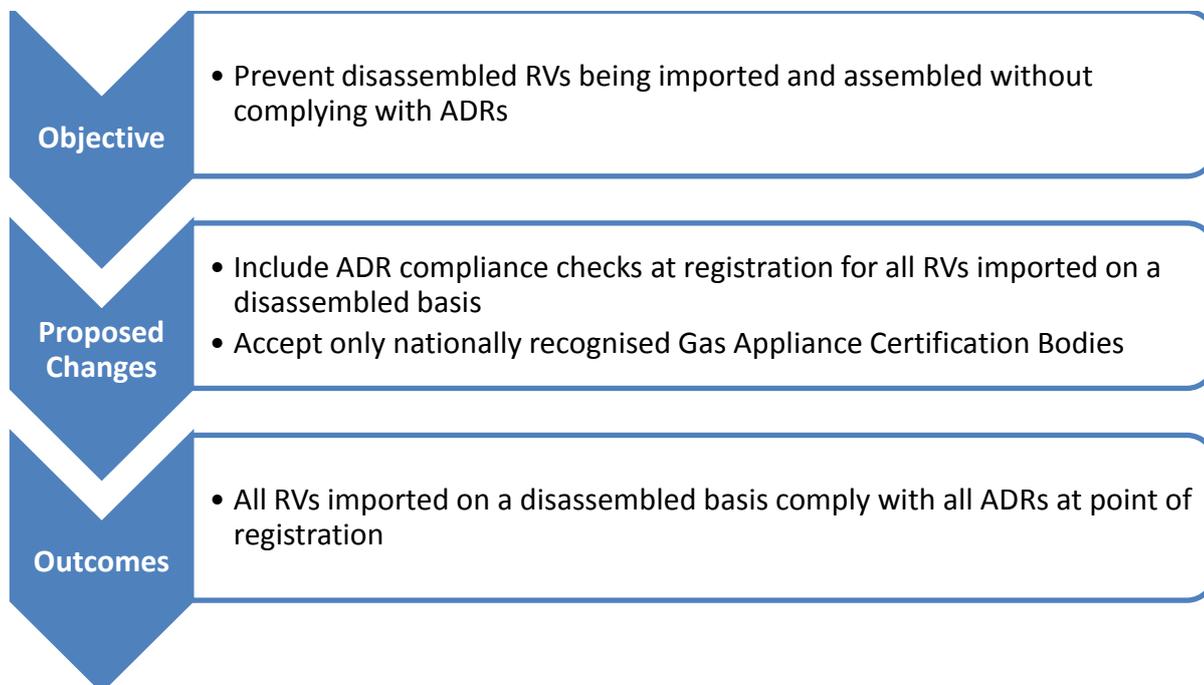
Process Improvement - At Customs Clearance

Background: There is no vehicle compliance check against ADRs upon customs clearance



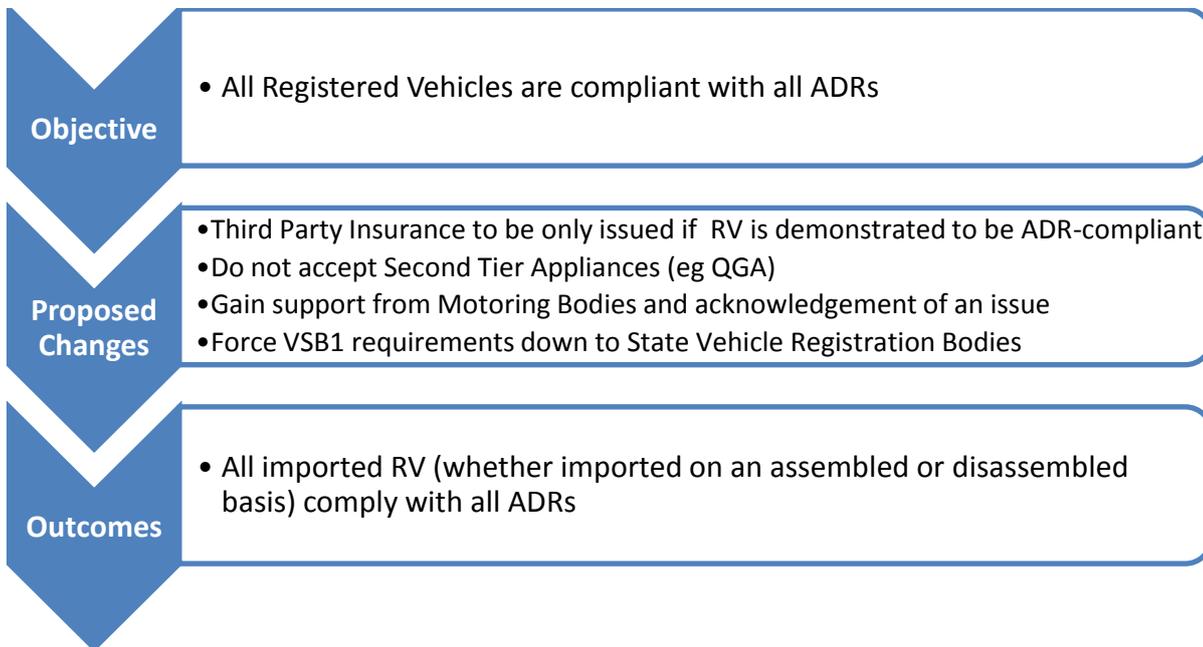
Process Improvement - At Modification / Assembly

Background: Importer may place VIN Plate on vehicle without full compliance with ADRs



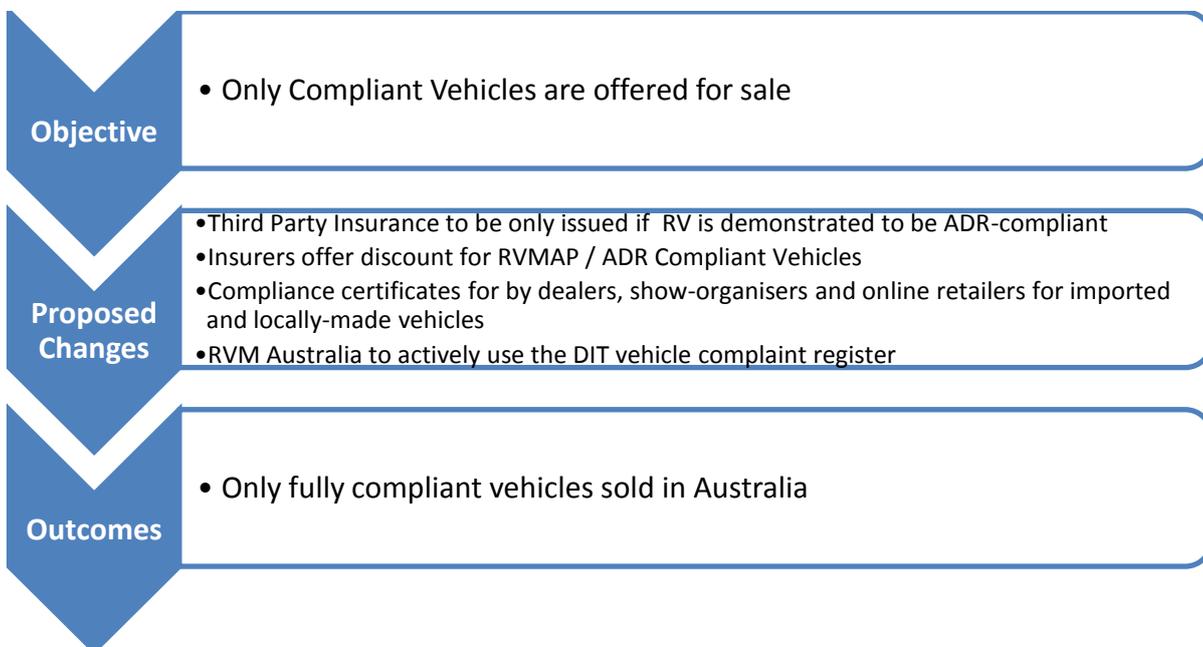
Process Improvement - At Registration

Background: There is varying levels of vehicle compliance checks against ADRs upon registration



Process Improvement - At Point of Sale

Background: Only fully compliant vehicles should be sold to the end-customer. There is no requirement for second hand vehicles to undergo a compliance check against ADRs



Standards

RVM Australia recommends that there is one national set of Standards for RVs including Gas and Electrical regulations.

To maintain its strong road safety performance, acceptance of international standards that are lower than Australian Standards should not be accepted as alternatives to ADRs.

As RVs do not require any roadworthiness or ADR-compliance checks after initial registration, aftermarket modification can be made without checking compliance with ADRs.

Recreational Vehicle Manufacturing Accreditation Program (RVMAP)

RVM Australia has a significant role to play in eliminating non-compliant RVs, whether they are imported or locally made. The RV Manufacturing Accreditation Program (RVMAP) launched by the Federal Minister for Road Safety, Hon Catherine King, in April 2013 was the first step and has the capability of being used within the five key steps of the Importation and Registration Process.

Stage	RVMAP Use
Importation	<ul style="list-style-type: none"> • Full or partial use by DIT within the Application for Importation • Use by importer to show compliance to DIT
Customs Clearing	<ul style="list-style-type: none"> • Full or partial use by AQIS upon Customs Clearing • Use by importer to demonstrate compliance to AQIS
Assembly of Disassembled Imported RV	<ul style="list-style-type: none"> • Use by assemblers to demonstrate to State Vehicle Registration Bodies that RV is compliant
Registration	<ul style="list-style-type: none"> • Use by State Vehicle Registration Bodies to assess compliance during registration • Provided by owners / retailers to demonstrate compliance
Offer for Sale	<ul style="list-style-type: none"> • Provided by owners / retailers to demonstrate compliance

In all cases listed above, the use in the future of an automated RVMAP Tool would add considerable efficiency and sophistication to ADR-compliance checking processes.

Outcomes

This submission and process improvements described will deliver a number of clear outcomes.

- ✓ Increased number of compliance checks on Imported RVs
- ✓ Increased number of compliance checks at registration on RVs imported on a disassembled basis
- ✓ Use of RVMAP within importation, customs clearing and / or registration processes
- ✓ No future acceptance of Second Tier Approval of Appliances in any State or Territory

RVM Australia recommends that the changes described in this submission be adopted as part of this consultation process.