

Submission 34: RVS Legislation Consultation

Submission Cover Sheet

Road Vehicle Standards Bills package

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Submission to the Road Vehicle Standards Bills package

Background

Mitsubishi Motors Australia Ltd (MMAL) is a wholly owned subsidiary of Mitsubishi Motors Corporation (MMC), Japan. MMAL has a history of being a manufacturer of engines and motor vehicles at its Tonsley Park and Lonsdale facilities in South Australia as well as an importer of motor vehicles built by Mitsubishi Motors

group companies in Japan, Asia and Europe. Since March 2008, at the conclusion of manufacturing operations in Australia, MMAL has operated solely as an importer of motor vehicles.

MMAL has been a holder of Compliance Plate Approvals since prior to the gazettal of the Motor Vehicle Standards Act (1989), a holder of Compliance Plate Approvals during the entire period of its operation and an active participant in the Road Vehicle Certification System (RVCS) since the inception of this administrative system.

MMAL's views shared with the Commonwealth in our previous submissions to the 2013 and 2014 reviews of the Motor Vehicle Standards Act remain valid.

[http://www.infrastructure.gov.au/vehicles/mv_standards_act/files/178 Mitsubishi Motors Australia.pdf](http://www.infrastructure.gov.au/vehicles/mv_standards_act/files/178_Mitsubishi_Motors_Australia.pdf)

[https://infrastructure.gov.au/vehicles/mv_standards_act/files/Sub191 Mitsubishi Motors Australia Ltd.pdf](https://infrastructure.gov.au/vehicles/mv_standards_act/files/Sub191_Mitsubishi_Motors_Australia_Ltd.pdf)

MMAL's submission to those reviews can be summarised as support for

- a) The Act as the primary control for the regulation of motor vehicles entering the Australian market
 - b) Harmonisation of regulation with Global Technical Regulation (GTR) and UN ECE regulations where cost:benefit analysis justified their introduction in Australia
 - c) Improved administrative processes for the certification of motor vehicles in Australia under the Act
 - d) Equitable treatment of all suppliers of motor vehicles to the Australian market
- The opinions provided in that submission remain current, relevant and valid.

MMAL is a member of the Federal Chamber of Automotive Industries (FCAI) and participates in its various committees. MMAL's has actively participated in FCAI's review of the Road Vehicle Standards Act package and fully supports and endorses the submission made by FCAI to the review. In this separate submission, MMAL offers these additional comments and suggestions in support of FCAI's views.

Submission

Road Vehicle Standards Act approvals

Approvals issued under the Motor Vehicle Standards Act have no validity period but must be surrendered as soon as the model is no longer being produced. Manufacturers are required to validate any evidence which is relied upon for a period of more than ten years to ensure that it is still appropriate evidence for the specific Australian Design Rule for which it is being used.

MMAL is concerned that approvals issued under the Road Vehicle Standards Act will only be valid for an arbitrary five year period but that the Commonwealth has not shown why it is appropriate to limit an approval to five years or quantified why that particular period has been chosen. Five years does not reflect the life cycle of a typical road vehicle and this limit will impose a significant administrative burden on both the brands and the Commonwealth for the maintenance of older approvals. Approximately 30% of MMAL's current MVSA approvals are over 5 years old, with one being 12 years old and one which was surrendered in the recent past being 11 years old. MMAL recommends that the current methodology of issuing approvals which are not limited to a set period is retained and that the Commonwealth uses its administrative powers to ensure approvals are appropriately surrendered when the model's production is finished.

Entry on RAV via entry pathways

MMAL is concerned that the processing time allowed for an application in the Act does not reflect the current service charter to which approvals are currently provided. It is MMAL's belief that modern technologies, streamlining of the certification process and international harmonisation of regulations should make it possible to reduce lead times for approvals rather than increase them.

Entry on RAV via entry pathways Part 3 Type approval pathway Division 2
Section 22
22 Minister to decide application
(1) The Minister must decide an application for a road vehicle type approval within 60 business days after receiving the application.

27 Condition about providing evidence of compliance with changed national road vehicle standards
(1) It is a condition of a road vehicle type approval that if: (a) a legislative instrument containing a change to a national road vehicle standard is registered on the Federal Register of Legislation; and (b) the change to the national road vehicle standard is to apply in relation to road vehicles of the type covered by the approval from a particular time (the <i>applicability time</i>) after registration; and (c) road vehicles of the type covered by the approval would, if provided after the applicability time, be required to comply with the changed national road vehicle standard; the holder of the approval must provide evidence to the Minister that road vehicles provided under the approval after the applicability time will comply with the changed national road vehicle standard.
(2) The evidence must be provided to the Minister no later than 60 business days before the applicability time.
Note 1: A failure to comply with this condition by the required time results in automatic suspension of the road vehicle type approval (see section 183). The approval may also be suspended if insufficient evidence is provided (see section 184).
Note 2: The holder of an approval may apply to the Minister for a variation of the approval (see Division 4 of Part 7).

Register of Approved Vehicles (RAV)

MMAL is concerned that the RAV does not appear to have been developed taking into account contemporary information technology systems and methodologies being used by brands in Australia and requires more information to be added to the RAV than is contained on the Identification Plate/Label that it is supposed to replace. This will impose a cost for brands to be able to upload vehicle to the RAV and suitable led time for systems development will be required.

As has been pointed out throughout the MVSA review process and the development of the Road Vehicle Standards Bills package, MMAL is particularly interested learning the detailed specification of the data to be provided and the process by which that data will be sent to the RAV. Given that this is a significant IT project for each brand, MMAL recommends appropriate lead time is negotiated by the Commonwealth through consultation with FCAI.

SEVS Criteria

MMAL is concerned that the Commonwealth is advocating a reduction of the time between a vehicle first being released in any global market and that vehicle being eligible to be entered on the SEVS register from the current minimum of 18 months to "at least three months".

The global launch of a new vehicle is typically staggered across the various markets to which the model will be introduced to account for specification differences, development schedules, production preparation lead times and available manufacturing resource. A global launch can take well over a 12 month period depending

on model and line up complexity and development and manufacturing capacity and it would be naïve to think that Australia, with its small size compared with much larger global markets including Japan, Europe, USA and China, will necessarily be the first market into which a new product is launched.

It is likely that it was upon consideration of these facts that the 18 month lead time was originally incorporated in the concessional arrangements. MMAL suggests no change to the current criteria.

Additionally, MMAL is very concerned that the definition of VARIANT (*a vehicle with its own marketing designation but included in the 'Compliance Plate' approval for the "make and model"*) provided in the Australian Design Rule - Definitions and Vehicle Categories) 2005, is not appropriate for the purposes of the SEVS criteria. Refer <https://www.legislation.gov.au/Details/F2016C00487>. MMAL believes that the definition of VARIANT is outdated and lacking in clarity for the purposes of the new Act. MMAL suggests that it should be updated to a contemporary definition to improve clarity and avoid vagueness and ambiguity.

Cost Recovery Implementation Statement (CRIS)

MMAL agrees with the policy of utilizing a cost recovery model for the administration of the Road Vehicle Standards Act provided there is sufficient fidelity in the model to accurately reflect the source of the costs to the Commonwealth and provided it maintains an incentive for the Commonwealth to minimize those costs through continuous improvement and cost reduction.

MMAL has reviewed the draft CRIS and finds that it appears to ignore the potential for massive difference in volume of evidence to be examined between different initial type approvals. MMAL has similar concerns with subsequent type approval variation and Testing Facility approvals despite the obvious potential for significant variation in complexity for each of these. As a practical example, a type approval variation may consist of a single RVD change to add a variant or could effectively change every piece of evidence provided with the initial type approval. Clearly these two scenarios represent vastly different workloads and resultant costs which the Department is seeking to recover in the CRIS.

MMAL suggests further consultation on the proposed cost schedules is essential before the cost structure is finalized and implemented.

Summary

MMAL fully supports and endorses the submission made by FCAI to the review.

There are a number of areas which are of more specific concern to MMAL including

- Validity period of RVSA approvals
- Time allowed for the Department to issue approval
- Information Technology and data issues implementing the RAV
- Variant definition and SEVS criteria
- Cost recovery model

MMAL is happy to discuss this submission further with the Department either separately or in conjunction with the appropriate FCAI representation.

[END OF SUBMISSION]