



## Submission 50 – RVS Legislation Consultation

16/02/2018

The Department of Infrastructure and Regional Development

### ***Motor Vehicle Standards Act 1989 Reform***

Dear Minister and the Department of Infrastructure,

I am writing this submission to request a review and subsequent amendment to the proposed rules within Road Vehicle Standards Bill 2018 (RVS).

In light of the recent Road Vehicle Standard Bills being announced and the following consultations, there are a few key areas of the draft bills which under their current form go against Minister Fletchers view that the RVS are designed to ‘expand consumer choice and reduce red tape’.

There are three parts we believe are currently restrictive within the RVS framework as it stands, and with minor amendments to the rules would provide Australian consumers greater choice and provide environmental benefits to the wider Australian community. The areas of note are based around the Specialist and Enthusiast Vehicle Schemes (SEVS) rules which define the model/variant, environmental criteria and cost implementation for eligibility to import.

With the introduction of the new RVS, the Minister, the Department and this current Government have the opportunity to shape the landscape of Australia’s vehicle fleet and become a prime mover in the implementation of environmental change for Australia and the rest of the world. The opportunity for this Government to support the global mandate to reduce vehicle emissions and provide the Australian consumers more choice with reducing barriers for uptake in the Electric and Hybrid vehicle market.

The following pages offer our assessments of the current framework and provide recommendations to build a legislative package that provides better consumer choice and supports the uptake of new technologies and help to improve the Australian environment.

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Kind regards,

Ben Simpson  
Dolphin Shipping Australia Pty Ltd

### **Consumer Choice**

With the introduction of the new Road Vehicle Standards bill, the Minister has announced the legislation will provide more choice for specialist and enthusiast vehicles and be responsive to emerging technologies.

It is our assessment that the proposed rules and new criteria for eligibility to import specialist and enthusiast vehicles, does not provide more choice for the Australian consumer. The new criteria are so restrictive that specialist and enthusiast vehicles which are currently able to be complied through SEVS, will reduce under the new criteria by 75%.

This vast reduction to the SEVS vehicle eligibility will directly affect the number of vehicles available to the Australian consumer and also have a significant impact to all of the small Australian businesses which support the consumers choice by providing these vehicles to market.

Australian local car dealers, RAWs workshops, truck drivers, panel & paint shops, logistics companies, customs brokers and various other small Australian businesses that provide employment will be severely impacted with the reduced availability and volume of SEVS eligibility under the new criteria.

The restrictions within this eligibility lie within the rules surrounding the model type approval, variant of a model, with the restriction to previous and current models supplied in full volume to the Australian market. The rules stipulate the eligibility of variants of models as long as they are not currently supplied to the Australian consumers in full volume, this provides consumers with greater choice of different variants not available to purchase in Australia at present.

### **Environmental Vehicles**

The current market for Electric vehicles is so small in Australia that it represents 0.02% of the registered vehicle fleet, with 4,000 out of a total of 18.8 million registered vehicles on Australian roads. The slow uptake of Electric vehicles in Australia is not due to the lack of interest from the consumers, but due to the lack of availability of affordable options to the market. As a whole, the sale of both Hybrid and Electric vehicles in 2017 represented just 1% of total new vehicle sales.

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The changes to the Motor Vehicles Standards Act 1989 propose that Hybrid and Electric vehicles will now be eligible as one of the six criteria to import through the Specialist and Enthusiast vehicle scheme. As part of the criterion for eligibility through the SEVS scheme, there is restriction under the model and variants due to the full volume model type approval.

The Australian Government needs to be at the forefront of environmental change, and can be instrumental in the implementation of Environmental Standards which will see a push to increase Environmental Vehicles on our roads thus reducing vehicle emissions. To do this there needs to be more competition and a greater supply of all Environmental Vehicles to the Australian consumers.

An example of the Nissan Leaf, which was last supplied to Australians in full volume in 2012, shows that because of the model approval given for full volume supply, effectively has blocked the supply of the Nissan Leaf (2013-2017) to the Australian consumers. The Nissan Leaf would be a very affordable, safe vehicle in the used car market with a 5-star ANCAP safety rating.

We believe that an exemption for Environmental Vehicles to not be subject to the model or variation approvals would facilitate the supply and uptake of Environmental vehicles in Australia. This would provide the Australian consumer with greater choice, stimulated from greater competition in this niche market to increase the models on offer and remove the restrictions on models and variants that have previously been available for supply.

## **Recommendations**

- **Model Variant**

In order to not restrict the variants available from past offerings and make available greater choice with models not currently supplied in full volume. We recommend amendments to **section 117(1)(i)** to remove the wording “**at any time**”, as this part of the rule effectively restricts the import of previously supplied models or variants which are no longer on offer to the public.

- **Environmental Vehicles**

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We recommend a concessional approval for all models and variants for alternatively powered vehicles, including Hybrid and Electric vehicles to be eligible for import. An exemption for Environmental vehicles to rule 117(1)(a)(i) would increase uptake of environmental vehicles and reduce vehicle emissions by supplying greater availability to the Australian consumer.

- **Cost Recovery**

The proposed cost recovery implementation stipulates that every application for entry to the SEVs register will cost between \$680-\$800 per entry, payable before the application is processed. The high cost of application further comes at a huge cost when applied for every 2 years for each variant, paid upfront before the application is even considered. We recommend reducing the application fee to \$50 for the initial application.

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