

Submission 61 – RVS Legislation Consultation

The Toyota logo, consisting of the word "TOYOTA" in a bold, red, sans-serif font, is centered within a white rectangular box with a thin black border.

Submission by

Toyota Australia to the Draft Road Vehicle Standards 2017

Toyota Motor Corporation Australia Limited
Submission to DIRD on the RVSA – Road Vehicle Standards Act

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Introduction and key facts

Toyota Motor Corporation Australia Limited (Toyota Australia) has operated as a fully integrated manufacturing, sales and distribution company for 54 years. The company ceased manufacturing on the 3rd of October 2017.

Toyota will retain a significant local presence in Australia beyond the closure of local vehicle manufacturing. This includes import and distribution features, maintenance of a significant research and development division, and establishment of a Centre of Excellence at the former manufacturing site in Altona.

For the 15th consecutive year Toyota finished 2017 as the top selling automotive company in Australia, with Toyota HiLux taking the number one sales position for the second time in a row.

Toyota Australia is contributing to the development of vehicles that meet the needs of local and international markets. Our research focuses on vehicles powered by a range of alternative fuels and those with the potential for automated driving.

We continue to work towards vehicles that are safe and maintain the standards of durability and reliability which people expect from the Toyota brand.

Globally, Toyota is actively engaged in creating environmentally friendly, safe and intelligent vehicles that will enable mobility into the future. Toyota Australia will play a key role in achieving this vision through its R&D functions.

Road Vehicle Standards Act

Toyota Australia supports the policy objectives of the RVSA including:

- Flexible and Responsive legislation for the future of road vehicles
- Clear legislation for safe, secure and environmentally friendly vehicles
- More choice of road vehicles for Australians
- Continued harmonization with international standards - Improved compliance and enforcement powers

However, Toyota Australia believe there are some areas of the proposed changes could be further improved to deliver a more equitable approach between full volume type approval holders and concessional importation schemes while continuing to provide a wide range of consumer choice and providing the necessary level of consumer protection.

Areas to consider:

- Register of Approved Vehicles
- Specialist and Enthusiast Vehicle Scheme (SEVS)
- Registered Automotive Workshop (RAWS)
- Authorised Vehicle Verifiers (AVV)
- Recalls
- Cost Recovery

Summary of Key Points

<p>1. Continued harmonization with international standards</p>	<p>The Explanatory Memorandum outlines that the RVSA will ensure that the current Government policy to harmonize ADRs with international standards will continue and that the new RVSA caters for future developments in international vehicle regulations.</p> <p>Toyota Australia together with the FCAI strongly supports this approach.</p>
<p>2. Improved Compliance and enforcement powers</p>	<p>The RVSA will be supported by enhanced monitoring and investigation powers. Toyota Australia together with the FCAI support this approach.</p>
<p>3. Register of Approved Vehicles (RAV) Toyota Australia supports the introduction of the Register of Approved Vehicles (RAV) to replace the physical compliance plate.</p>	<p>The intention of the RAV was to replace the “Identification (compliance) plate” and record the relevant certification information. However, the RAV has been expanded to include additional information that is currently included in the information provided to NEVDIS, including tare mass and engine power.</p> <p>The RAV has not been developed to take advantage of existing systems, and will instead impose significant additional cost to industry to develop IT systems to meet the unique requirements of the RAV.</p>

<p>4. Road Vehicle Standard Rules Clause 22</p> <p>Minister to decide application</p> <p>(1) The Minister must decide an application for a road vehicle type approval within 60 business days after receiving the application.</p>	<p>This clause could potentially be mis-interpreted, and read as; up to 60 business days may be applied to processing of applications.</p> <p>Through explanations at the information session, Toyota Australia understands that the 60 business days is the maximum number of business days that the Department has to process an application before it is automatically refused.</p> <p>Hence, the wording of clause 22 could be improved to reflect this explanation.</p>
<p>5. Road Vehicle Standard Rules Clause 23</p> <p>Grant of approval</p> <p>(2) A road vehicle type approval must specify the following: (h) that the type approval expires at the end of the period of 5 years after it comes into force, unless it is revoked earlier.</p>	<p>Currently under the existing MVSA, approvals are issued for the life of the model. The adoption of a 5-year maximum term is likely to require an additional administrative function and overhead(s), as all models are very likely to exceed five years of production.</p> <p>On average models have a life of 8 to 10 years, and some models may exceed twelve years. To capture the majority of models, Toyota Australia believes a 10-year maximum term would be a reasonable term.</p>
<p>6. Road Vehicle Standard Rules Clause 27</p> <p>“Condition about providing evidence of compliance with changed national road vehicle standards”</p> <p>(2) The evidence must be provided to the Minister no later than 60 business days before the applicability time.</p>	<p>The note in the Road Vehicle Standard Rules states;</p> <p>“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).</p> <p>Note 2: The holder of an approval may apply to the Minister for a variation of the approval (see Division 4 of Part 7). “</p> <p>The wording in Note 1 suggests that if a submission is made less than 60 business days it will result in automatic suspension of the approval.</p> <p>Through explanations at the information session, Toyota Australia understands that the 60 business days is the maximum number of business days that the Department has to process an application before it is automatically refused.</p> <p>Hence, the wording of clause 27 and Note 1 could be improved to reflect this explanation.</p>

<p>7. Road Vehicle Standard Rules Clause 98-113</p> <p>Test Facility Approvals</p> <p>Clause 98 (b) applications to be accompanied by:</p> <ul style="list-style-type: none">(i) such documents as are required by the form; and(ii) the application fee. <p>Clause 104 (f) that the approval expires at the end of the period of 5 years after it comes into force, unless it is revoked earlier;</p>	<p>Currently, Test Facilities undergo a one-off registration phase that result in the allocation of a Test Facility Identification number. This current registration of test facility results in the test facility being registered with DIRD, and the registered period is not fixed and does not have an expiry.</p> <p>The adoption of an 'approval' with an 'Expiry' would create the need for an additional administrative function. This is estimated of an extra overhead, to overseas and manage the large number of test facilities.</p> <p>Toyota Australia believes that an expiry should not be applicable whenever there is no change at the Test Facility affecting the declaration within the approval.</p>
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<p>8. SEVS Criteria</p> <p>Toyota Australia Supports FCAI position.</p>	<p>Toyota Australia supports the following principles proposed:</p> <ul style="list-style-type: none">• The vehicle (model/variant) does not currently have a “full volume” IPA. (Note: an objective definition of variant is required – see following proposal)• The vehicle will be removed from the SEVS Register 2 years after date of entry and a new application for inclusion on the SEVS Register is again required. <p>Toyota Australia does not support the following SEVS proposals:</p> <ul style="list-style-type: none">• A vehicle is available to be entered on the SEVS Register “at least 3 months” after release in another major market<ul style="list-style-type: none">○ Toyota Australia supports the current criteria that a vehicle has been released in a major overseas market for not less than 18 months. <p>Launch timeframes can potentially vary from 6 months up to 3 years in some cases.</p> <ul style="list-style-type: none">• The vehicle (model/variant) remains on the SEVS Register even if a “full volume” IPA is issued.<ul style="list-style-type: none">○ The FCAI considers the vehicle should be removed from the SEVS Register no more than 6 months after a “full volume” IPA is issued. <p>Toyota Australian supports FCAI arguments, and considers the main areas to be addressed in development of the eligibility criteria include:</p> <ul style="list-style-type: none">• Definition of a variant.• Threshold for performance vehicles to meet the government’s policy objective of high-performance vehicles with specifications significantly superior to mainstream vehicles in Australia.• Inclusion of small vehicles criteria (equivalent to the Japanese K-car definitions) within the Environmental criteria.
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<p>9. Cost Recovery</p> <p>Toyota Australia supports the policy of introducing a cost recovery model for administration of the Road Vehicle Standards Act.</p> <p>With regards to the two options presented in the draft Cost Recovery Implementation Statement (CRIS) Toyota Australia prefers Option 2 as this option better addresses the imbalance in cost to the government in administering full volume type approval holders and concessional scheme (e.g. SEVS/RAWS) participants.</p>	<p>Toyota Australia agrees with FCAI position;</p> <p>“The proposed cost of between \$2.30 and \$3.00 for adding a vehicle to the RAV appears to be high. As there are more than 1.2 million vehicles introduced into Australia each year, the income to operate and maintain a relatively simple website and database would be in excess of \$3million. If this is the cost that the Government is being charged by NEVDIS to operate and maintain, it demonstrates that the Government should have considered a competitive tender process to award a contract to develop, operate and maintain the RAV.”</p>
<p>10. Registered Automotive Workshop Scheme (RAWS) and Authorised Vehicle Verifiers (AVV)</p>	<p>As concessional import vehicles are vehicles’ given concessions from meeting the current national safety and emission standards (i.e. ADRs);</p> <p>Toyota Australia together with the FCAI does not support the intention to remove the cap on vehicles for each RAW. A cap on the number of concessional import vehicles that each RAW can deliver to the market needs to remain.</p> <p>Any proposed changes within SEVs including the removal of vehicle caps and allowance of AVV inspections overseas creates the opportunity for and increases the likelihood of unrestricted used imports.</p>
<p>11. Recalls</p>	<p>The draft Explanatory Memorandum outlines that the new RVSA gives the Minister the ability to issue compulsory recall of road vehicles and road vehicle components and sets the framework for voluntary recalls.</p> <p>Toyota Australia supports the FCAI position that a consistent definition of supplier between the Recall provisions in the RVSA and the expected legislation for a CO2 standard (also to be administered by DIRD) would be ideal.</p>

<p>12. RVCS (Road Vehicle Certification System)</p> <p>As outlined in the information session; the RVCS (Road Vehicle Certification System) will be replaced by a new system; with an expected timing of mid 2020.</p>	<p>Toyota Australia suggests that the external vendor incorporate and conduct consultations sessions, testing and validation trials together with FCAI members throughout the design and development phase, and suggest that a transitional phase is implemented before the current system (RVCS) is switched off.</p>
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Conclusion

Toyota Australia appreciates the opportunity to provide feedback in relation to the Road Vehicle Standards Act.

Toyota Australia supports the majority of the proposed RVSA and sees the majority of the Government's policy objectives as beneficial to the new vehicle industry and also consumers.