



FCAI Submission on Road Vehicle Standards Act Exposure Draft (17 February 18)

Executive Summary

- The Road Vehicle Standards Act (RVSA) is critical to the business of FCAI member brands as it sets the national standards for road vehicles and the administrative arrangements to import vehicles and demonstrate compliance with the national standards (i.e. Australian Design Rules) prior to delivery to the market.

Road Vehicle Standards Act Objectives

- The FCAI supports the policy objectives of the RVSA.
- The FCAI supports continued harmonisation with international standards, i.e. the United Nations Regulations.

Register of Approved Vehicles

- The FCAI supports the introduction of the Register of Approved Vehicles (RAV) to replace the current physical Identification (Compliance) Plate.
- The FCAI is concerned that the initial intention of the RAV has been expanded and now includes information that is additional to that currently supplied on the Identification (compliance) Plate.
- This involves a duplication of information already available to the states and territories (via NEVDIS) and adds complexity and cost to industry.
- The current intention of the RAV, to be able to be used as part of registration system, contradicts previous advice provided to the FCAI by the Department.

SEVS, RAWs and AVVs

- The FCAI supports a revised SEVS that will achieve its original intention, i.e. allowing importation under *concessional* arrangements of specialists and enthusiast's vehicles (e.g. specialist disabled access vehicles and high-performance models) that are not imported by the OEM.
- There are a range of proposals in the revised SEVS that are not supported including:
 - Allowing a model to be eligible 3 months after its release in another major market
 - Allowing the model to remain on the SEVS Register even if a full volume type approval is issued.
- The definition of variant is important and needs to be immediately addressed.
- The FCAI does not support the proposed formula for determining a "performance vehicle."

- The FCAI supports the policy intentions with the changes to the RAWs especially the introduction of independent AVV to access each vehicle delivered by a RAWs to establish the identity of the vehicle, ensure the vehicle is free from structural damage and meets its type approval.
- The FCAI does not support removal of the cap on vehicles for each RAW.
- The FCAI does not support the proposal to allow both RAWs and AVVs to be located outside Australia as this is not in the best interests of Australian consumers.
- All proposed changes within SEVs (variant definition), removal of vehicle cap in RAWs and allowance of AVV inspections overseas creates the opportunity for unrestricted imports of used vehicles.
- The proposals for second stage of manufacture (SSM) vehicles will have adverse impacts on Australian businesses, consumers and the government's road safety and environmental objectives.

Recalls

- The FCAI understands that the intention is to replicate the recall provisions in the Australian Consumer Law to be able to capture recalls for commercial vehicles and reflect the current practice where DIRD manage recalls for vehicles. As such, there is not expected to be any appreciable difference to FCAI members.

Type Approval Expiry

- The FCAI does not support the introduction of a type approval expiry period and recommends continuation of the current method of requiring surrender of the type approval once the vehicle is no longer provided in Australia.
- If an expiry period is to be introduced, the FCAI proposes that the expiry period should not be less than 10 years to cater for the typical model life of MA, MC and NA category vehicles.

Cost Recovery

- The FCAI supports the policy of introducing a cost recovery model for administration of the Road Vehicle Standards Act.
- Of the two options presented in the draft Cost Recovery Implementation Statement (CRIS) the FCAI 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.
- The proposed cost of between \$2.30 and \$3.00 for adding a vehicle to the RAV, resulting in an annual income in excess of \$2.7 million, appears to be high to operate and maintain a relatively simple website and database.
- The certification effort for a motorcycle (L-category) is less than other road vehicles, (number of ADRs is far less, etc), therefore the actual cost of the RAV entry and application fees/levy should be lower than for other vehicles.

1. Introduction

The Federal Chamber of Automotive Industries (FCAI) is the peak industry organisation representing the importers of passenger vehicles, light commercial vehicles and motorcycles in Australia. The FCAI welcomes the opportunity to comment on the exposure draft of the Road Vehicle Standards Act (RVSA) and associated Rules.

The RVSA (like the current Motor Vehicle Standards Act [MVSA]) is critical to the business of FCAI member brands as it sets the national standards for road vehicles and the administrative arrangements to import vehicles and demonstrate compliance with the national standards (i.e. Australian Design Rules) prior to delivery to the market.

The FCAI 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 harmonisation with international standards.
- Improved compliance and enforcement powers.

The FCAI notes the current obligations on existing approval holders under the MVSA will carry forward for the RVSA. The RVSA intends to make these obligations more apparent while improving compliance and enforcement with applicable sanctions.

However, there are some areas of the proposed changes that need to be improved to meet the policy objectives of the RVSA and to further reduce the free-riding of the concessional importation schemes while providing a wide range of consumer choice along with the necessary level of consumer protection. These areas that require some level of reconsideration include:

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

2. Continued harmonisation with international standards

The Explanatory Memorandum (p.8) outlines that the RVSA will continue the current Government policy to harmonise ADRs with international standards and that the new RVSA caters for future developments in international vehicle regulations. This is included in Section 3 “Objects of this Act”:

(1) The objects of this Act are:

(c) to give effect to Australia’s international obligations to harmonise road vehicle standards.

The FCAI supports continued harmonisation with the international standards, i.e. the United Nations Regulations.

3. Improved Compliance and enforcement powers

A significant change with the new RVSA is to introduce sufficient flexibility for monitoring and enforcing compliance.¹

The FCAI supports this approach.

4. Register of Approved Vehicles (RAV)

The FCAI supports the introduction of the Register of Approved Vehicles (RAV) to replace the physical compliance plate as the marker of a vehicles suitability for supply in Australia with an online publicly searchable database under certain conditions.² The RAV will allow prospective buyers to determine the vehicle details (including method of entry into Australia) prior to any purchase. As such, the FCAI supports the RAV being able to be searched by a single record at a time.

The FCAI is disappointed that the RAV has not been developed to take advantage of existing systems used by car brands and will instead impose significant additional cost to industry to develop IT systems to meet the unique requirements of the RAV. The FCAI's preference was to extend the vehicle information file currently provided to NEVDIS (to facilitate registration) to include the additional information required by the RAV and submit the single file to both NEVDIS and the RAV. This would impose the least additional cost to the industry.

The Explanatory Memorandum (para 63, p. 27) states *"The RAV is also intended to be used by states and territories to assist in registering vehicles for road use."* The draft bill, section 14 (3) states *"The RAV may be maintained as part of, or together with, another register or database relating to road vehicles."*

Section 65 of the draft Bill, allows sharing of information to various organisations as part of Administration of the Act. The FCAI recommends that Section 65(1)(d) be further clarified in that sharing of information with a state/territory registration authority is for the purpose of administration of the RVSA:

- Initial registration
- Investigation of possible contravention of the RVSA or other state/territory vehicle standards regulations (e.g. how each state/territory has implemented the Australian Vehicle Standards Rules).

An objective of the RAV appears to be either to join with or subsequently replace part of NEVDIS. This is a direct contradiction of advice provided to the FCAI by the Department while consulting on the RAV. The FCAI was assured on numerous occasions that the RAV would be separate from NEVDIS and this assurance was used as justification to develop a separate RAV file submission.

The initial 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

¹ Road Vehicle Standards Bill, Explanatory Memorandum, Exposure Draft, pp. 8-9, 11

² Road Vehicle Standards Bill, Explanatory Memorandum, Exposure Draft, p.5

and engine power. This is not appropriate as it duplicates information already available to the states and territories (via NEVDIS) and adds complexity and cost to industry.

If the RAV is to be used for registration purposes, the cost recovery charges must be reduced.

One of the significant changes introduced with the RAV is the introduction of “*Date of entry on the RAV*” (Rule 8(a)). This replaces the current “*date of manufacture*” on the Identification (Compliance) Plate.³ The correct definition is extremely important as this relates to:

- Which ADRs are applicable.
- The point that a vehicle is available in Australia and meets its type approval.⁴

5. Specialist and Enthusiast Vehicle Scheme (SEVS)

As outlined in its submission to the MVSA Review, the FCAI supports a revised SEVS that will achieve its original intention, i.e. allowing importation under *concessional* arrangements of specialist and enthusiast’s vehicles (e.g. specialist disabled access vehicles and high-performance models) that are not imported by the OEM.

The Explanatory Memorandum (pp. 7-8) acknowledges that the SEVS establishes a pathway for the supply of vehicles that do not, or cannot, meet the national road vehicle standards but otherwise offer a benefit to the Australian community. However, the Explanatory Memorandum, does not specify what concessions to the national safety and environmental standards will continue:⁴

- Will SEVS vehicles continue to be accessed against ADRs at date of manufacture of vehicle rather than date of importation as per a new vehicle?
- Will a range of options for demonstrating compliance with the relevant ADRs?
- Will exemptions from complying with the latest safety or environmental ADRs continue to be granted?

The FCAI supports the following proposed SEVS principles:

- The vehicle (model/variant) does not currently have a “full volume” IPA.⁵ ○ A strong and objective definition of variant is required – see proposal in Attachment 1.
- 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.

The FCAI does not support the following SEVS proposals:

- A vehicle is available to be entered on the SEVS Register “at least 3 months” after release in another major market ○ The FCAI supports the current criteria that a vehicle has been released in a major overseas market for not less than 18 months (see attached).

³ Administrators Circular 0-3-2 *Identification Plates and Approved Supply to the Market Vehicle Plates*. ⁴ Under the intention to allow an AVV to inspect a SEVS vehicles overseas, will this vehicle require clearance by Customs before being entered onto the RAV?

⁴ Administrators Circular 0-1-2 ‘*A Guide to the Certification of New Vehicles – Type Approval*’ Section 4. *Different schemes*.

⁵ Full volume is described in Administrators Circular 0-1-2 ‘*A Guide to the Certification of New Vehicles – Type Approval*’, Section 7. *Certification Procedures for New Vehicles, (a) Full Volume*. Issue 5, December 2008, Reformatted August 2015.

- The vehicle (model/variant) remains on the SEVS Register even if a “full volume” type approval is issued.
 - The FCAI considers the vehicle should be removed from the SEVS Register no more than 6 months after a “full volume” IPA is issued.

The FCAI considers the main areas to be addressed in development of the eligibility criteria include:

- Definition of a variant.
- Threshold for performance vehicles to meet the government’s policy objective of highperformance 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.
- The contrary nature of the criteria such that a vehicle may meet one of the criteria yet it is completely at odds with the other eligibility criteria which may lead to unintended consequences, such as large numbers of older vehicles being imported under the performance criteria which would be determinantal to the Government’s road safety and vehicle environmental objectives.

The FCAI has provided detailed comments on the proposed SEVs eligibility criteria in Attachment 1. This builds on previous FCAI submissions and discussions held with DIRD throughout 2016.

An area of additional concern with the SEVs criteria is treatment of vehicles that have undergone a second stage of manufacture (SSM). If the vehicle undergoes SSM before being provided to the market in Australia, then that vehicle will likely be classified as a different “variant” to the Australian version and will be eligible to be added to the SEVs Register. These vehicles can then be brought in through a concessional import scheme which allows exemptions from many ADR requirements. This has a number of implications:

- Australian SSM vehicles will have be at a disadvantage when competing with overseas SSM vehicles.
- Vehicles which undergo SSM in Australia are required to meet the applicable ADRs of when the SSM approval is granted, a concessional import only needs to meet ADRs at date of manufacture (and may be given exemptions).
- This scheme introduces an additional safety risk to consumers when combined with the ability of these vehicles to be signed off and imported by an overseas AVV, they could be handed straight to the consumer without any local inspection.
- Any problems will not be able to be identified until the vehicle is in-service, and consumers may not realise that they are not covered by OEM warranty.
- The draft Rules also appears to provide opportunities to import SSM vehicles (e.g. campervans and motorhomes criteria in Division 6) that are not open to Australian businesses.

This treatment of SSM vehicles will have adverse impacts on Australian businesses, consumers and the government’s road safety and environmental objectives.

6. Registered Automotive Workshop Scheme (RAWS) and Authorised Vehicle Verifiers (AVV)

The FCAI supports the Governments’ policy intentions with the changes made to the RAWS especially the introduction of independent AVV to access each vehicle delivered by a RAWS to

establish the identity of the vehicle, ensure the vehicle is free from structural damage and meets its type approval.

The FCAI does not support the intention to remove the cap on vehicles for each RAW. A cap on the number of concessional import vehicles⁶ that each RAW can deliver to the market needs to remain.

The FCAI also does not support the proposal to allow both RAWs and AVVs to be located outside Australia as this is not in the best interests of Australian consumers. The Government has limited resources to ensure compliance and has demonstrated significant difficulty with enforcement and compliance with RAWs located within Australia. It is not logical then to allow both RAWs and AVVs to be located overseas without a significant increase in compliance and enforcement resources.

Allowing AVVs to operate overseas and not conduct (at least) a final inspection to ensure compliance with the type approval does not address the current issue of some RAWs supplying non-compliant vehicles as the current problem of inability of either the Federal or State/Territory governments to locate and inspect non-complying SEVs vehicles.

Also, to assist with compliance and enforcement actions of RAWs and AVVs, the FCAI recommends that the Rules must require all RAWs and AVVs (e.g. Rule 94) to keep records in English.

All proposed changes within SEVs (variant definition), removal of vehicle cap in RAWs and allowance of AVV inspections overseas creates the opportunity for unrestricted imports of used vehicles.

The Government must have a form of quota (cap) under SEVS criteria individually and collectively to enable the administrative rules to meet the Governments stated policy objectives with respect to used imports, road safety and vehicle emissions.

7. Recalls

The draft Explanatory Memorandum (p.9) 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.

The FCAI understands that the intention is to replicate the recall provisions in the Australian Consumer Law to be able to capture recalls for commercial vehicles and reflect the current practice where DIRD manage recalls for vehicles. As such, there is not expected to be any appreciable difference to FCAI members.

However, the definition of Supplier in draft **Rule 197 Holder of a type approval taken to be a supplier** may need to be reviewed.

***197 Holder or a type approval taken to be a supplier** For
the purposes of sections 194, 195 and 196:*

⁶ Vehicles that are given concessions from meeting the current national safety and emission standards (i.e. ADRs).

(a) A person is taken to be a supplier of road vehicles of a particular kind if the person is the holder of a road vehicle type approval under which such vehicles are entered on the RAV;

There are many instances where the type approval holder is not an employee of the company that “supplies vehicles or components of that kind” (see draft Rule 194(1)).

The FCAI has had similar discussions with the Government as part of introducing a CO2 standard and prepared the following definition;

Supplier means any person who first supplies a road motor vehicle in Australia to;
(a) licensed new car dealer, or (b) the market.

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 sensible.

8. Type Approval Expiry

The Road Vehicle Standards Rule 23 (2)(h) limits the life of a type approval to 5 years;

(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.

Type approvals issued under the Motor Vehicle Standards Act do not have an expiry period but must be surrendered as soon as the model is no longer being supplied. The FCAI does not support the introduction of a type approval expiry period and recommends continuation of the current method of requiring surrender of the type approval once the vehicle is no longer provided in Australia.

If the Government is determined to introduce an expiry period in the Rules, a period of 5 years is too short and will generate additional administration for both FCAI members and the Government. The typical model life for a passenger car (and many small/medium SUVs) is 5 to 6 years, while the model life for a light goods vehicle (and MC category) could be up to 10 years. A type approval will typically be issued up to 6 months before the market release of a new model and as there may be many vehicles still unsold when a new model is released, the majority of type approvals for MA category would be required to last more than 5 years.

Requiring an application for an extension to an existing type approval, which will contain information already submitted and assessed, will then introduce additional administration for both FCAI members and the Government without any benefit to Australian consumers.

If an expiry period is to be introduced, the FCAI proposes that the expiry period should not be less than 10 years to cater for the typical model life of MA, MC and NA category vehicles.

Similarly, the length of time for a testing facility approval, Rule 104(2)(f), should be extended to 10 years.

9. Time to Decide Application

In the draft Rules, Clause 22 (1) allows up to 60 business days to decide an application: **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.

At the Information Sessions it was explained that this clause is the maximum number of business days (i.e. 60) that the Department must process an application before the application is automatically refused.

The FCAI and member companies are concerned that at a later time, this may be mis-interpreted and 60 days will replace the current service charter of 32 days to assess an application. The FCAI requests that additional explanation of this clause be provided in a note to the Rule or in another appropriate document (e.g. Administrators Circular).

10. Cost Recovery

The FCAI supports the policy of introducing a cost recovery model for administration of RVSA. The FCAI proposed consideration of a cost recovery approach in our 2014 response to the Review of the Motor Vehicle Standards Act.

While charging a fee per compliance plate is easy to administer, it results in full volume type approval holders providing funding for, and effectively subsidizing, the concessional schemes. Of the two options presented in the draft Cost Recovery Implementation Statement (CRIS) the FCAI 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.

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 \$2.7million. If this is the cost that the Government is being charged by NEVDIS to operate and maintain the RAV, it demonstrates that the Government should have considered a competitive tender process to award a contract to develop, operate and maintain the RAV.

As noted in section 2 (above) if the RAV were to be used for registration purposes, the cost for adding a vehicle onto the RAV must be reduced.

The cost recovery model proposes the same costs (entry on the RAV, application fees and levy) for motorcycles (L-category) as other road vehicles. The motorcycle (L-category) compliance plate fee currently is 50% of other road vehicles (i.e. \$3.00 versus \$6.00) to reflect the reduced cost of administering the certification of L-category due to a substantially lower number of ADRs applicable. The RAV entry and application fees/levy for L-category vehicles should continue to reflect the reduced lower cost of administering their certification.

The proposed cost recovery model does not cater for the range of evidence that may need to be considered for the variation of a type approval. For example, the variation could range from a single SE Form to cater for an update of an ADR through to adding a new variant to the RVD, which could affect every piece of evidence provided under the type approval.

The FCAI would welcome the opportunity for a further briefing on the details of the proposed cost recovery model.

11. Conclusion

The FCAI welcomes the opportunity to comment on the exposure draft of the Road Vehicle Standards Act (RVSA) and associated Rules.

The RVSA (like the current Motor Vehicle Standards Act) is critical to the business of FCAI member brands as it sets the national standards for road vehicles and the administrative arrangements to import vehicles and demonstrate compliance with the national standards (i.e. Australian Design Rules) prior to delivery to the market.

The FCAI 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. However, there are still some details that need to be further considered:

- Proposal to use the RAV as part of the registration system.
- Concessional schemes including the SEVs, RAWs and AVVs. The proposed changes creates the opportunity for unrestricted and large scale imports of used vehicles.
- Introduction of a type approval expiry period.
- Cost recovery model.

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17 February 2018

Attachments

1. FCAI Detailed Comments on SEVs Criteria
2. FCAI Comments on Cost Recovery Options

Attachment 1: Detailed Comments on SEVs Criteria

Issue	FCAI Comments/Positions
<p>Criteria for entry on SEVs Register, Time since release in Overseas Market</p> <p>Draft Rule 117 Criteria for entry on SEVs Register</p> <p>(1) The Secretary may enter a variant of a model of a road vehicle on the SEVs Register if:</p> <p>(b) at least 3 months have passed since the variant of the model of road vehicle was available to a consumer in any market in the world; and</p>	<p>The FCAI supports the current criteria that a vehicle has been released in a major overseas market for not less than 18 months.</p> <p>The length of time between launch of a new model and its release in Australia varies for FCAI member brands. For most brands, the focus for new model launches are the major (and larger) markets of Europe, the USA and China. Japanese brands will usually also include Japan as a priority market.</p> <p>Brands will therefore prioritise research and development for these markets. Development for smaller markets (such as Australia) will occur once the models for the major markets are finalised. Similarly, it is only after the launch production has been completed and production volumes are stable that the factory is able to add further complexity by producing models for smaller markets. This is especially important when the change for the Australian variant is as significant as adding RHD vehicles to a predominately LHD production line.</p> <p>Once the vehicle is manufactured, depending on the source factory it can take another 8 to 12 weeks for the vehicle to reach Australia. This leads to launch timeframes from as little as 6 months and up to 3 years in some cases.</p>

<p>Eligibility for entry on SEVs Register; Definition of Variant</p> <p>Draft Rule 124 Variant of a model of a road vehicle</p> <p>(1) A model of a road vehicle (the <i>first model</i>) is a variant of another model of a road vehicle (the <i>second model</i>):</p> <p>(a) If:</p> <p>(i) The first model has a different body to the second model; or</p> <p>(ii) The first model has a different transmission to the second model; or</p>	<p>The proposed Rule for variant of a model is too broad and needs further clarification on:</p> <ul style="list-style-type: none"> • Definition of different transmission: e.g. does this mean manual vs automatic, or 5-speed vs 6-speed. • Definition of different drivetrain: is it intended to use the ADR definition of drivetrain, i.e. “the vehicle components which transmit engine power to the driven wheels.” <p>The definition of variant must not lead to the degradation of the value of vehicles purchased in Australia from the OEM. If the definition of variant is too loose, it will create the opportunity for importation of large numbers of “variants” of models with full</p>
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Issue	FCAI Comments/Positions
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<p>(iii) The first model has a different drivetrain to the second model; or</p> <p>(iv) The first model has a different propulsion system to the second model; or</p> <p>(v) The first model is in another vehicle category to the second model; or</p> <p>(b) In other circumstances determined by the Minister</p>	<p>volume type approvals which will reduce the value of an OE-supplied vehicle (already inservice) and the consumer will loose.</p> <p>The FCAI has previously provided the following definition for consideration: <i>A variant to be considered eligible under SEVS needs to have:</i></p> <ul style="list-style-type: none"> • <i>A body style that is not provided by other variants of that model supplied under full volume IPA; or</i> • <i>A drive train and engine combination that is not provided in other variants of that model supplied under full volume IPA (and included in the RVD).</i> <p>(Note: The ADRs define drive train as - the vehicle components which transmit engine power to the driven wheels.)</p> <p>An alternative definition that could be considered is the EU definition (Annex II of EU Directive 46/2007) of variant <i>Variant means vehicles within a model that do not differ in the following essential respects:</i></p> <ul style="list-style-type: none"> • <i>Body style (e.g. sedan, hatchback, coupe, convertible, station wagon, multipurpose vehicle)</i> • <i>Power plant including:</i> <ul style="list-style-type: none"> ○ <i>Number and arrangement of cylinders</i> ○ <i>Power difference of more than 30% (the highest is more than 1.3 times the lowest),</i> ○ <i>Capacity difference of more than 20% (the highest is more than 1.2 times the lowest),</i> • <i>Powered axles (number, position, interconnection)</i> • <i>Steered axles (number and position)</i>
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Issue	FCAI Comments/Positions
<p>Performance vehicle criteria</p> <p>Explanatory Memorandum (p.7) states: The Road Vehicle Standards Rules (the Rules) will implement criteria for entry on the SEVs register that better capture vehicles that are of a genuine specialist and enthusiast nature ...</p> <p>1. Performance – high-performance vehicles with specifications significantly superior to mainstream vehicles in Australia</p> <p>Draft Rule 118 Performance Criteria</p> <p>(1) A variant of a road vehicle satisfies the performance criteria if the road vehicle, as originally manufactured, is above the power to weight threshold worked out according to the following formula: (Year of manufacture – 1992) + 110 kW/t Where: Year of manufacture means the year in which the road vehicle is manufactured 110kW/t means 110 kilowatts per tonne</p> <p>“Performance Vehicles– high performance vehicles with engine performance specifications significantly superior to mainstream vehicles in Australia;”</p>	<p>In 2016 the Government released a “Policy Proposal Consultation Paper” on “Eligibility Criteria Thresholds – The Register and Enthusiast Vehicles”. The “Performance Vehicle” criteria proposed in this paper:</p> <p>Noting the steady increase in reported vehicle power over time, it is proposed that a vehicle is required to satisfy a graduated threshold formula, based on vehicle age and a corresponding power to weight ratio – measured in Kilowatts per Tonne (kW/t).</p> <ul style="list-style-type: none"> • For vehicles manufactured in 1992 (base year of manufacture), the proposed power to weight ratio is 120kW/t. • For each year of manufacture post 1992, the power to weight ratio increases by 1 kW/t. • This can be simply calculated as: ○ Year of manufacture minus base year of manufacture plus base performance threshold <p>To express this in similar terms to the draft Rule 118 criteria: (Year of manufacture – 1992) + 120 kW/t</p> <p>Throughout 2016, the FCAI provided submissions to the government advising that the proposed criteria did not meet the government’s objective of “high-performance vehicles with specifications significantly superior to mainstream vehicles in Australia.”</p> <p>With the change to a 10 kW/t lower “base performance threshold” the FCAI considers that the draft Rule is even further away from the policy objective of “high-performance vehicles with specifications significantly superior to mainstream vehicles in Australia.”</p> <p>The FCAI would consider that “Performance Vehicles” SEVS criteria is for high performance models, available in overseas markets that will not be introduced into</p>

Issue	FCAI Comments/Positions
	<p>Australia by the brand as the small number of sales would not provide a return on the investment required to develop the vehicle for the Australian market.</p> <p>Consideration of a limited number of current mainstream models show their power to weight ratio (PWR) is around 140-150 kW/tonne which is only 5 to 15 kW/t over the proposed performance threshold of 135 kW/tonne for a 2017 model. Many mainstream “family” models have a PWR of around 130-135 kW/t.⁷</p> <p>This clearly is not “significantly superior” to mainstream models currently in Australia.</p> <p>The FCAI considers that a performance threshold that is significantly superior would be in the range of 200 kW/tonne (i.e. performance of performance vehicles such as Nissan GTR, Mercedes C63, Audi RS6, etc).</p> <p>Note: The FCAI recommends that Rule 118 (1) be changed to (see bold highlights) to better define the intention:</p> <p style="padding-left: 40px;">A variant of a road vehicle satisfies the performance criteria if the variant of the road vehicle, as originally manufactured, has a power to weight threshold is above the power to weight threshold worked out according to the following formula:</p>

⁷ For example, 2016 Toyota Aurion has 200 kW output and tare mass of 1480 kg has a PWR of 135 kW/tonne.

<p>Environmental Criteria</p> <p>Explanatory Memorandum (p.7) states: The Road Vehicle Standards Rules (the Rules) will implement criteria for entry on the SEVs register that better capture vehicles that are of a genuine specialist and enthusiast nature ...</p>	<p>The FCAI supports draft Rule 119 Environmental Criteria (a)(i) “the variant of the road vehicle meets or exceeds the current national road vehicle standards relating to emissions that are applicable to the variant of the road vehicle that were applicable at the time the application is made.”</p> <p>The FCAI does not support draft Rule 119 (b)(ii) “the variant of the road vehicle has a maximum engine capacity of 660cc, a maximum engine output of 47 kW and is not more</p>
<p>Issue</p>	<p>FCAI Comments/Positions</p>
<p>2. Environmental – vehicles that offer environmental performance significantly superior to mainstream vehicles in Australia</p>	<p>than 3.4 metres long and 1.48 metres wide.” Many vehicles that would meet these criteria do not meet modern safety standards (both occupant protection and active safety) and are not suitable for operation on Australia’s road environment. If this draft Rule remains, these vehicles must be able to demonstrate compliance to current (i.e. applicable at the time the application is made) safety ADRs.</p>

Attachment 2. FCAI Comments on Cost Recovery Options

Table 1: Full volume type approval

Activity		Option 1 - RAV entry charge + Application Fees	Option 2 - RAV entry charge + Application Fees + Levies	Comments
Entry on the RAV	Type approval pathway	Between \$4.00 and \$5.00 per vehicle	Between \$2.60 and \$3.50 per vehicle	Current compliance plate fee is \$6.00 per light vehicle & \$3.00 per motorcycle (L-category)
	Concessional RAV entry pathway	Between \$4.00 and \$5.00 per vehicle	Between \$2.60 and \$3.50 per vehicle	
Application for a road vehicle type approval	Non-IWVTA type approval	Between \$1,750 and \$2,000	Application fee: between \$1,750 and \$2,000 Levy (for successful approval): between \$3,000 and \$3,500	Will all motorcycles be under this option as L-category vehicles are not part of IWVTA?
	IWVTA approval	Between \$700 and \$850	Between \$700 and \$850	What does this cover? Will this be any application with an IWVTA plus additional ADRs not included in the IWVTA?
Application for a road vehicle type approval variation	All type approvals except trailers	Between \$400 and \$550	Between \$400 and \$550	Does not cater for broad range of variations.
Applications for a testing facility approval		Between \$400 and \$550	Application fee: between \$400 and \$550 Levy (for successful approval): between \$900 and \$1,200	

Table 2: SEVS and Concessional Schemes

Activity		Option 1 - RAV entry charge + Application Fees	Option 2 - RAV entry charge + Application Fees + Levies	Comments
Application for a concessional RAV entry approval		Between \$70 and \$100	Between \$80 and \$120	
Applications for a RAWS approval		Between \$650 and \$800	Application fee: between \$650 and \$800 Levy (for successful approval): between \$1,100 and \$1,400	RAWS approvals expire after two years, unless revoked earlier. Appears to be very low cost to fund compliance activities (e.g. auditing) of an overseas RAWS.
Applications for approval of a model report	All vehicles except heavy trailers	Between \$1,200 and \$1,500	Application fee: between \$1,200 and \$1,500 Levy (for successful approval): between \$2,400 and \$2,700	
Applications for variation of an approved model report	All vehicles except heavy trailers	Between \$1,000 and \$1,200	Between \$1,000 and \$1,200	

Applications for an AVV approval		Between \$850 and \$1,100	Application fee: between \$850 and \$1,100 Levy (for successful approval): between \$1,400 and \$1,600	AVV approvals expire after two years, unless revoked earlier. Appears to be very low cost to fund compliance activities (e.g. auditing) of an overseas AVV.
Application for entry of a road vehicle on the SEVs Register		Between \$680 and \$800	Between \$680 and \$800	