

Submission 68– RVS Legislation Consultation

February 16, 2018
Motor Vehicle Standards Act Review

Submission.

I am concerned that the proposed changes may cause our professional Australian vehicle R&D and test business and the high value adding vehicle modification industry significant international competitive disadvantage that will cause the death of a myriad of small innovative businesses.

The future of test and development consulting businesses such as Test-Trak and the future of highly competitive, innovative manufacturing business involved in mobility vehicles, motorhomes, mining vehicles, rail infrastructure vehicles and others depends on the implementation of regulations and departmental guidelines that underpin the new legislation.

The reform of the motor vehicles standards act must not impose costs, regulations and approval cost burdens or time delays on the Australian industry that do not exist for overseas competitors.

Overview Comments

There were 2 statements in the briefing session that are of concern:

1. It is not intended to materially depart from the current regulations.
2. The service charter is not intended to change.

My observation is that it is the regulations and departmental guidelines of interpretation of the regulations that causes difficulty, not the legislation. The new legislation is more contemporary and has clearer drafting, but the issues that cause our business difficulty arise from the regulations, not the legislation. The regulations should be made less restrictive and less bureaucratic.

If the reform of the vehicle standards act is successful, combined with a new IT administrative platform, then surely the success of this project will be seen in shorter process times that require less departmental resource?

Furthermore, a review of international legislation or best practice benchmarks does not seem to have been part of this review. In my experience the Australian system does not compare well with other Asian & European countries.

Test-Trak's specific interests

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Test-Trak conducts vehicle testing for vehicle manufacturers and Tier 1 parts suppliers. With the demise of the Australian Industry, our clients are now predominantly overseas based and come to Australia primarily for hot environment testing of international models, most of which are not intended for sale in Australia. Our clients are based in: Japan, Thailand, China, India, United Kingdom, Singapore and France.

The current cumbersome temporary import provisions are a significant inhibitor to our business. We seek:

1. A transparent process that provides a objective, predictable outcomes. This includes a published list of required documentation that allows a degree of self assessment or confidence by the applicant in the outcome of the application.
2. Issue of permits within a commercial period of time (less than 10 business days. In an era where airfreight for test vehicles is common, the single longest lead time part of a test programme is the time the Department takes to issue an import permit. Frequently test vehicles spend less time in Australia than the time required to issue the import permit.
3. Removal of any requirement that test vehicles are brought into Australia for homologation testing. The current situation is that Australia is the home office for only 1 platform, overseas submission of ADR evidence packs and increasing demand for Australia as a counter seasonal test destination for Northern Hemisphere manufacturers. In the current era the concept that the prime reason for test vehicles are imported is for testing for homologation or to evaluate Australian suitability is outdated and laughable.
4. The requirement to supply documents from state registration authorities should be removed. Test Vehicles may be used.
 - a. In private test facilities (eg test laboratory)
 - b. At a private proving ground (eg the Linfox Anglesea proving ground)
 - c. At other private facilities (eg airfields, racetracks, etc)
 - d. On public roads with the use of “manufacturer” plates
 - e. On public roads with the use of “Engineering Evaluation” registration

The conditions for use of the vehicle on public roads is the jurisdiction of the state registration authorities (primarily NSW & VIC due to shipping facilities and the availability of test facilities).

The prime interest of the Department should be with regard to the validity of the application for temporary import, not the vehicle’s potential use on public roads. The this end I would suggest that there are only 2 key issues:

1. The duration of the temporary import. About 80% of our requirement is for temporary import periods of less than 3 months, which rises to maybe

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95% less than 6 months, In 15 years of operation, we have never required a vehicle for over 12 months.

2. That the application from a bona fide test organization.

The SSM process is inadequately defined, cumbersome, not transparent and moves at an uncommercially glacially slow pace.

The other part of our business is assisting Australian vehicle modifiers. Test-Trak is an ADR test facility. D. Gould is a Vicroads, VASS signatory and a registered agent with the RVCS.

1. SSM vs State Modification process (VSB 14, VSB 6)

Whilst the definition of SSM applying to vehicles pre-first registration and the modification post first registration, in reality this is poorly defined and the line is very blurred. It is common to have competitor companies using different mechanisms for the same modification. The cost and time required to obtain SSM approval means that the modifier that uses SSM is at a competitive disadvantage in the market compared with those that use the modification process.

2. SSM simplified tests

Theoretically, the SSM process is subject to simplified (cheaper) test processes. However, the “simplified” test regime is inadequately defined, frequently meaning that the SSM applicant is required to conduct testing to the same degree of rigor as a full volume applicant.

3. Transparent, consistent process

Currently, the test requirements and application process is not transparent and it is common for different case officers to take different interpretation, so that successive applications for essentially the same modification can have different requirements for issue of the SSM.

4. More commercial timeframe.

SSM is generally regarded as taking 6 months. In the environment of vehicles modifiers responding to market requirements for custom modifications, this is completely uncommercial. We have had instances of the donor vehicle model changing during the SSM application process, thus requiring that the process must be repeated.

Specific Comments.

1. Temporary Test Vehicle Import

- a. The current system is unworkable.
- b. It discourages international test programmes (which in turn denies Australia exposure to leading edge vehicle technology or forces vehicles to use alternate (and less appropriate) import paths.
- c. It is not transparent (ie there is no published set of conditions that must be met that can be relied upon to give assurance of the grant of permit.

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- d. It is uncommercially slow. This single longest lead time part (including shipping) of any test programme is obtaining a temporary import permit.
2. Motorhomes
 - a. The proposed changes facilitate the direct import of motorhomes, but does not recognize the required compliance with a number of Australian Standards plus required practice for 240v wiring, gas plumbing, safety of cabinet work, flammability provisions, etc.
 - b. Many of the requirements vary according to state jurisdiction – especially those relating to wiring and gas safety.
 - c. Liberalisation of the import requirements and demonstrated adherence to ADR’s places local motor home builders at significant commercial disadvantage because they must bear the cost of SSM approval and compliance.
3. Mobility Vehicles
 - a. The proposed changes facilitate the direct import of mobility vehicles, but does not recognize the required compliance with a number of Australian Standards that are required of the Australian industry– especially those relating to the safety of lifting devices, standardization of wheel chairs, wheel chair safety locking devices, etc,
 - b. Liberalisation of the import requirements and demonstrated adherence to ADR’s places local mobility vehicle modifiers at significant commercial disadvantage because they must bear the cost of SSM approval and compliance.
 - c. The concept of vehicles modified “with manufacturer support” is not adequately defined. No mobility vehicles are manufactured by the source vehicle manufacturer. The modifiers range from wholly owned subsidiaries (eg Toyota Motor Body Co – Welcab) to third party modifies with tacit or “back door” support.
4. User access to the IT system
 - a. The current system that cannot deal with client computers with operating systems older than Windows 7 is unacceptable.
 - b. The current system, in places, is too rigid and does not allow full provision of explanatory information.
5. Fees
 - a. We have no objection to the introduction of fees.
 - b. However, if we are to pay commercial rates for application fees, then it is reasonable hat we expect processing within commercial timeframes.
6. Process transparency / support
 - a. The current process are not “transparent”. The same application can have different outcomes depending on different interpretations of the regulations or different people handling the case.

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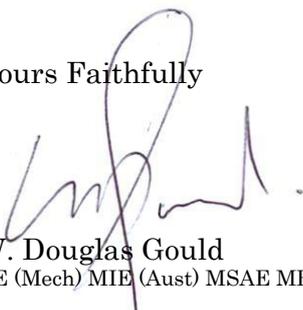
- b. Currently (unlike state registration bodies or the NVHR) there are no dedicated technical advisors available for industry. RVCS processes must be discovered by “trial & error” rather than being able to seek advice.
 - c. Implementation of Industry case managers / single point of contact for industry should be considered.
7. Testing facilities / AVV
- a. The qualification and application procedures is not detailed in the information sheets. There was comment at the briefing session that ISO standard certification will be required. We have no issue with this, except where it involves a new additional cost burden – especially when it creates a disadvantage to Australian vehicle modifiers compared with that required for direct import of overseas modified vehicles.
 - b. If there are requirements, such as ISO certification, then we require sufficient time to become compliant before the new regulations come into effect. This may be 12 months.
 - c. AVV’s / Test authorities should be independent third parties. Signatories should be professionally qualified with membership of an appropriate professional body (ie Institution of Engineers, Australia) that ensures ongoing professional standards and they should be covered by appropriate professional indemnity insurance.
8. Simplified regulations
- a. The intent of the SSM process was to create a simpler, lower cost approval path for modifications to full volume ADR approved vehicles.
 - b. However, without clear definition of simplified test requirements, the burden of the same test requirements as full volume vehicles with the resources of the world’s largest companies has been applied to low volume vehicles from small companies.
 - c. The provisions of SSM approval should have greater flexibility
9. New and emerging technology
- a. New vehicle technology is changing rapidly, especially those with electronic control where the functional details are proprietary to the vehicle manufacture and not publicly available.
 - b. Vehicle modification regulations (SSM, VSB 6, VSB 14) has lagged significantly behind vehicle technology.
 - c. New thinking on specifying metrics that demonstrate that new technologies are not adversely affected by modification are required. Repeating tests to homologation standards are not practicable.
10. Overseas modified vehicles
- a. The predominant vehicles that are modified are utes such as Ford Ranger, Toyota Hilux, etc; the vast majority of which are manufactured in Thailand.

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- b. Test-Trak has an office in Thailand and conducts work for a number of companies for vehicles sold in Asia, the Middle East and Europe. We would welcome the opportunities to extend this office with work for vehicles destined for Australia.
- c. The modification approval process must include the requirements of state registration authorities (see the points relating to motorhomes and mobility vehicles). Most state registration authorities do not inspect vehicles presented for registration for compliance. This must be incorporated in the modification approval process.
- d. It should be noted that Australia has one of the only formal vehicle modification systems in the world (SSM, VSB 14, VSB6). No such system exists in Asia, which will be the predominant source of imported modified vehicles. If the import of overseas modified vehicles to be allowed, the following is required:
 - i. Certifying companies (ie AVV's) should be Australian incorporated entities so that Australian law can apply
 - ii. Individual signatories within the approved entities should meet the same qualification standards as those in Australia
 - iii. The modifications must be made according to established vehicle modification standards ie; VSB 6, VSB 14 or similar harmonized standards.
- e. The audit process for overseas test facilities requires definition. Many Asian countries (eg Thailand) do not have a well-developed laboratory accreditation network.

Yours Faithfully



W. Douglas Gould
BE (Mech) MIE (Aust) MSAE MBA

Managing Director



Test Trak

✚ Test-Trak

Test-Trak is Australia's only specialist automotive field testing company. Test-Trak primarily operates in the areas of durability and dynamic testing where we apply engineering principals to areas where dead-reckoning has previously been accepted as normal practice. We regard the collection, analysis and presentation of data derived from the testing activity as the core service that we provide.

Test-Trak seeks to be the most professional automotive testing company through:

1. The highest level of vehicle care, client focus, and confidentiality
2. Original Equipment levels of process control, procedures and quality
3. Rigorous and formalised data culture
4. Thought leadership of qualitative vehicle testing
5. Outstanding staff with high levels of training

Test-Trak has worked for Australian and International vehicle and component manufacturers. Test-Trak's policy is to not reveal the names of our clients unless they choose that we do so.

✚ Key Service Areas

1. On-road durability
2. Performance assessment & comparative testing
3. Press launch, media support & vehicle preparation
4. Design assessment and validation
5. Risk assessment of vehicle modifications for military and other fleet operations such as mining vehicles.
6. Australian Design Rule (ADR) testing

✚ Doug Gould

BE (mech); MBA; MAICD, MIE(Aust)
Managing Director

Doug started Test-Trak in 2000, initially to provide outsourced durability driving for an Australian client. Since then it has expanded to include clients in the UK, Germany, Korea, Thailand and Singapore. Its services now include design validation & assessment for modified vehicles used in military & mining applications.

Before establishing Test-Trak, Doug had over 20 years of experience in industry and consulting. Doug entered consulting after a successful career with a range of well-known Australian and International companies in engineering, marketing, corporate, and general management roles. Doug has worked as an employee with the following automotive companies: Yazaki Australia, Exide Batteries, South Pacific Tyres and Beaurepaires. His automotive consulting clients include: GUD limited, Repco, Pennzoil, BMW and Hyundai. Doug has presented technical papers at the Asian Battery Conference and Automotive Testing Expo. He is a John O. Miller award winner for academic distinction.

Doug is Chairman of the Asthma Foundation of Victoria and involved with the charity FunFlight. Doug has been a successful rally navigator and currently competes in circuit sprint events. Doug is a multi engine command instrument rated commercial pilot.

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