



## Frequently Asked Questions

# INFOSHEET

### Introduction of the Road Vehicle Standards Bill 2017

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## Overview: Reforming the Act

### **What is the Australian Government's role in regulating motor vehicles?**

The Australian Government is responsible for setting motor vehicle standards to deliver road safety and environmental outcomes.

The *Motor Vehicle Standards Act 1989* has set the minimum performance standards for safety, environmental performance and anti-theft security for all vehicles entering the Australian market for nearly 30 years. The new Road Vehicle Standards Bill 2017 continues the legacy of the *Motor Vehicle Standards Act* in setting minimum standards, in a clearer, more modern way.

### **Why is the *Motor Vehicle Standards Act 1989* being reformed?**

The global automotive industry, along with vehicle technologies and consumer preferences, has changed significantly, since the current Act came into force in 1989.

The 2014 review of the Act and its regulations identified a number of areas where the Act and the associated administrative arrangements could be improved and modernised. These reforms will improve community safety and consumer protection, while giving Australians better access to specialist and enthusiast vehicles and providing significant savings for businesses.

The reforms followed extensive consultation including:

- the release of an options discussion paper;
- written submissions from stakeholders; and
- a number of workshops with stakeholders.

### **What are the key aspects of the reform?**

The reform of the Act will:

- Provide a clearer, more modern and more transparent legislative framework.
- Provide greater clarity around recall powers and responsibilities for all vehicle classes, including commercial vehicles.

- Refine the criteria by which specialist and enthusiast vehicles are eligible for importation into Australia, to better align with demand from motoring enthusiasts.
- Revise the Registered Automotive Workshop Scheme (RAWS), to improve community safety and consumer protection while reducing red tape on businesses.
- Simplify concessional importation pathways for vehicles, using a risk-based approach.
- Accelerate the harmonisation of the Australian Design Rules with international standards while streamlining vehicle approval arrangements for manufacturers.
- Make regulatory compliance for industry cheaper and easier by creating an online public Register of Approved Vehicles (RAV).

## Specialist and Enthusiast Vehicles

### **How will the reforms cater for Australian motorists and the specialist and enthusiast vehicle market?**

The reforms will revamp the Register of Specialist and Enthusiast Vehicles (SEV register) to better meet its original intention of providing consumers access to a range of vehicles that are not otherwise available in Australia.

The reforms also improve consumers' access to vehicles designed and manufactured for environmental performance or mobility needs that are not currently available in Australia.

Vehicle variants not offered in Australia will now be eligible for entry onto the Register of Specialist and Enthusiast Vehicles, where the variant meets one of the six criteria. A variant will need to be significantly different to a variant already supplied in Australia, such as having a different transmission, drivetrain, turbo or super charging, or body type.

The current pre-1989 cut-off for concessional importation of older vehicles will be revised to a requirement that vehicles are at least 25 years old. This will give motoring enthusiasts access to a greater range of classic and collectible vehicles.

## **Why is the Government changing the criteria for the Register of Specialist and Enthusiast Vehicles (SEV register) and what are the revised criteria?**

The revised criteria will better align eligible vehicles with genuine specialist and enthusiast demand.

The Government also recognises that the availability of genuine specialist and enthusiast vehicles under the current criteria is declining, as these vehicles get older.

As a result, the Government is: revising the eligibility criteria to provide new opportunities for businesses in this sector; permitting variants of a particular vehicle model to be imported, giving more options for enthusiasts; and increasing access to new vehicles.

The register will list vehicle types by their variant - where a variant is defined through differences in vehicle body, transmission, propulsion system, and vehicle category.

The reforms will revise the eligibility criteria, with road vehicles required to meet one of six objective measures:

- Performance criteria - each variant will be 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):
  1. For vehicles manufactured in 1992 (base year of manufacture), the proposed power to weight ratio is 110kW/T.
  2. Passenger cars and light trucks manufactured prior to 1992 will be eligible under the older vehicles pathway (vehicle older than 25 years).
  3. For each year of manufacture post 1992, the required power to weight ratio will increase by 1 kW/T.
- Vehicles with environmental performance significantly superior to mainstream vehicles in Australia:
  - they must meet or exceed the national vehicle standard for emissions in force or meet or exceed an emission standard that is deemed comparable to the national vehicle standard for emissions; and

- they must have been originally designed and manufactured to use an alternate means of propulsion to internal combustion engine either exclusively or a hybrid vehicle; or
- they must be in a micro-car subcategory for low power (low emissions) vehicles.
- Mobility vehicles, which are either:
  - originally manufactured or fitted from the factory with substantive specialist mobility features; or
  - modified after original manufacture and limited to modifications for which the original manufacturer endorses and takes responsibility.
- Rare vehicles will be required to satisfy one of the following volume thresholds:
  - total worldwide production of the 'Make' is less than 3000 units per year (averaged over the number of years the make has been produced); or
  - total worldwide production of the 'Model' is less than 1000 units per year (averaged over the production period for the model); or
  - total worldwide production of the 'Variant' is less than 100 vehicles per year worldwide (averaged over the production period for the variant).

In addition, left-hand drive vehicles imported under the rarity criteria will not require conversion to right-hand drive; however, such vehicles will still be subject to State and Territory road registration requirements.

- Vehicles originally manufactured as left-hand-drive, where right-hand-drive versions do not exist:
  - these vehicles will need to be converted to right hand drive before they enter the Australian market); and
  - they will be restricted to MA and MC (passenger vehicles) and NA and NB (light and medium commercial) categories;
- Motorhomes and campervans where a vehicle has been originally manufactured as a campervan or motorhome.

Further information on the specialist and enthusiast criteria is on Information Sheet 1.

## **What are the changes to the timing of entry onto the Register of Specialist and Enthusiast Vehicles (SEV register)?**

Vehicles are only eligible for entry onto the SEV register if they are a road vehicle that has not been provided in Australia under a full volume or type approval.

A vehicle supplied on the international market at least three months prior to an application for eligibility, may be considered. This encourages the early launch of models into the Australian market and provide earlier access to newer vehicles for Registered Automotive Workshops rather than the current 18 months.

It will still provide dealers with time to negotiate supply with manufacturers before a model or variant is eligible for importation and supply by a Registered Automotive Workshop.

Entries will remain on the register for 24 months regardless of whether the vehicle type commences supply under a type approval. There will be an opportunity to reapply for each entry one month before expiry.

## **Will the 3-month period before entry on the Register of Specialist and Enthusiast Vehicles apply to new vehicles as well?**

Yes, there will be no difference between new and used vehicles. Entries will remain on the Register of Specialist and Enthusiast Vehicles for 24 months, after which a further application can be made.

## **Registered Automotive Workshop Scheme**

### **What are the changes for Registered Automotive Workshops as a result of the reforms?**

The reforms aim to remove unnecessary regulatory requirements while improving compliance with the remaining requirements. The reforms are expected to save businesses over \$4m per year. The key reforms are:

- A simplified approval process for workshops, under which workshops will only be required to provide confirmation of workshop particulars and quality management systems.
- Removal of some of the vehicle modification requirements, such as mandatory replacement of roadworthy catalytic converters and tyres.

- Removal of limits on the number of passenger vehicles that can be processed by each Registered Automotive Workshop (RAW).
- The possibility to add both new and used vehicles to the RAV through the concessional RAV entry process and RAWs.
  - This includes new and used vehicles on the SEV register and new vehicles that have undergone a second stage of manufacture (refer to the Specialist and Enthusiast Vehicles info sheet 2).
- Simplified technical and reporting requirements will allow RAWs to use standard compliance evidence packages, known as Model Reports (MRs).
  - MRs will cause a significant reduction in administrative processes for RAWs and may be used broadly and be commercially traded. (Refer to the Model Report info sheet 11).

The continuation of no restrictions on the importation of used motor cycles that can be fully complied with the Australian Design Rules.

Enthusiast motorcycles eligible for entry on the SEV Register against the criteria are able to access the same concessions as other vehicles on the SEV Register.

## **How will the revised Registered Automotive Workshop Scheme provide vehicle integrity assurance for the community and consumers?**

The reforms will introduce an independent third-party inspection of each RAW vehicle prior to its supply to the Australian market. An independent third party will be known as an Authorised Vehicle Verifier (AVV) (refer to the Authorised Vehicle Verifier info sheet 5).

The inspections of each RAWS vehicle will verify that:

- vehicle modifications have been carried out appropriately;
- the vehicle is free from structural damage;
- vehicle identity is genuine; and
- the vehicle's odometer reading is valid.

## **Will RAWs continue to be required to hold ISO 9000 (Quality Management Systems) Accreditation?**

Yes, ISO 9000 accreditation provides a level of assurance that each RAW has procedures and systems in place to supply vehicles that consistently meet the RAWS requirements.

## **Authorised Vehicle Verifier (AVV)**

### **What is an Authorised Vehicle Verifier (AVV)?**

The new legislation will facilitate the establishment of a network of approved corporations known as AVVs to verify that vehicles entering the Australian market via a Registered Automotive Workshop (RAW) comply with relevant standards.

AVVs will provide an independent vehicle inspection and verification service that is intended to provide vehicle owners and the public more broadly, greater assurance of vehicle integrity and compliance.

If the vehicle meets the relevant standards, the AVV will have the responsibility for entering that vehicle and its details on the RAV.

AVVs can operate outside Australia. Companies interested in applying to be an AVV, may apply for approval approximately 3 months prior to the RVSA commencing.

### **What is the AVV approval criteria?**

Corporations seeking approval from the Australian Government to provide AVV services will need to submit an application to the Department for assessment. Applicants will need to:

- be a corporation;
- have the technology, equipment and procedures to inspect road vehicles in accordance with legislative requirements;
- have appropriately skilled staff to conduct such inspections; and
- not have a conflict of interest with a RAW.

AVV approvals will be valid for two years.

Like other entities under the Road Vehicle Standards legislation, AVVs will need to maintain records of all vehicles inspected for a period of seven years.

## Model Reports

### What is a Model Report?

A Model Report (MRs) is a package of evidence documents for a specific model or variant of vehicle prepared by an evidence provider and submitted to the Department of Infrastructure and Regional Development (the Department) for assessment.

The package will contain the necessary designs, test evidence and steps for modification / manufacture so that a model or variant of a vehicle when built or modified is in accordance with that MR and meets the applicable standards.

### How will Model Reports improve efficiency and reduce regulatory burden?

Currently all Registered Automotive Workshops (RAWs) are required to develop an evidence package for every vehicle that is on their schedule of approved vehicles. MRs allow a single author to prepare evidence and then provide this evidence to multiple parties – streamlining the process for RAWs to demonstrate the compliance of their vehicles.

MRs also allow RAWs to modify different vehicles more easily – all they have to do is have access to an appropriate MR for the vehicle, rather than apply to amend their schedule of approved vehicles.

MRs will be accepted as evidence for some type approval applications, including heavy trailers and Second Stage of Manufacture (SSM) type approvals.

### What will be required in a Model Report?

The four components of a MR are:

1. Header information containing details about the model of vehicle and variants covered;
2. Evidence such as test reports and summary of evidence forms as applicable to demonstrate compliance with standards;

3. Work instructions, diagrams, part numbers, prescribed components, as applicable for modifying or manufacturing the vehicle; and
4. A checklist to allow AVVs and RAWs to verify that each vehicle complies with the requirements of the MR.

Where applicable, any Component Type Approvals (CTAs) specified must be those approved components under the Road Vehicle Standards Act (RVSA). Similarly, any testing evidence used must be from a testing facility approved under the RVSA.

## Who can apply to be an author of a Model Report?

Any person may apply for approval of a MR.

Details about the model of the vehicle and variants covered by an approved MR will be publically available via the MR register (subject to the approval holder's agreement). This information will allow the public and RAWs to contact the MR approval holder. The MR approval holder may choose to sell components of the approved MR for shared use.

A MR approval does not expire although changes to the report may be required should the relevant standards change, or if there is a variation to the base vehicle type approval.

AVVs will be provided access to the checklist component of approved MRs by the Department.

## How will model reports be used?

**Registered Automotive Workshops** will use the work instructions and checklist components of an approved MR to modify / manufacture specialist and enthusiast vehicles, used motorcycles and some second stage of manufacture vehicles.

**Type approval applicants** will use the MR as evidence for a type approval. The work instructions and checklist will form part of the type approval holder's supporting documentation and include procedures on how to build heavy trailers or perform second stage of manufacture modifications.

**Authorised Vehicle Verifiers** will use the checklist component from an approved MR to verify each RAWs vehicle complies with MR requirements.

## Consolidated Concessional Import Schemes

### **Are there any changes to the concessional pathways to allow for the importation of non-standard vehicles?**

Yes, when the new Act commences, the 12 existing concessional pathways will consolidate into two streams.

#### ***Temporary / non-road use vehicles***

The first stream will be temporary / non road use vehicles. These vehicles will not be entered onto the Register of Approved Vehicles (RAV) and their use on public roads will be at the discretion of the state and territory registration authorities. The temporary/non-road use vehicle stream will allow for the importation of:

- Vehicles covered by an intergovernmental approval;
- race and rally vehicles;
- vehicles for exhibition;
- vehicles for the production of a film, video, television program or advertisement;
- test and evaluation vehicles; and
- heavily modified vehicles including custom vehicles and 'hot rods'.

#### ***Road use vehicles***

The second stream will be road use vehicles. These vehicles will be entered onto the RAV. The road use vehicles stream will continue to allow for the importation of:

- older vehicles (rolling 25 year);
- specialist and enthusiast vehicles (SEVs);
- small road trailers (four or less per year);
- vehicles owned and used overseas for a minimum of 12 months by migrants or returning Australians (the current Personal Import Scheme); and

- non-compliant plant and equipment where a standard vehicle cannot perform the function (such as drilling rigs, cranes, and city utility vehicles, such as fire tenders, garbage trucks and street sweepers).

## **Will the current ‘personal import’ arrangement for migrants and returning Australian citizens remain?**

Yes, the current provisions allowing migrants and returning Australians to import a vehicle they owned and used in another country for at least 12 months will be retained under the non-standard vehicles pathway.

## **What will happen to the current New Low Volume Scheme?**

The reforms to the Registered Automotive Workshop Scheme (RAWS) mean that Registered Automotive Workshops (RAWs) can now modify both new and used vehicles specialist and enthusiast vehicles, rather than just used vehicles. Existing New Low Volume manufacturers will be able to become RAWs under the new arrangements. This means that specialist and enthusiast vehicles imported and supplied under the current New Low Volume Scheme will now be imported and supplied through the RAWS.

These consolidated arrangements ensure that regulatory requirements can be the lowest possible cost.

## **Full Volume New Vehicles**

### **Is the Australian Government going to continue to harmonise Australian vehicle standards with international standards? If so, what will happen to the Australian Design Rules?**

Yes. The Australian Design Rules are already substantially harmonised with international (United Nations) standards and this harmonisation will continue.

The Australian Design Rules will remain as the mechanism for applying and mandating international standards.

There will be further consultation with the heavy vehicle industry during the next 12 months about further harmonisation of standards. The conditions of Australia’s road freight task require a number of unique standards for heavy vehicles to ensure the safety of heavier and more productive combinations.

The reforms will provide for the implementation of International Whole of Vehicle Type Approval (IWVTA) -a new system that enables light vehicles to be certified as a whole vehicle rather than by component parts or systems. This will significantly reduce compliance costs for manufacturers.

### **Will manufacturers still be required to fit vehicles with identification plates?**

The *Motor Vehicle Standards Act 1989* currently requires that motor vehicles to be fitted with identification plates that confirms compliance with the Act.

The reform will replace this requirement with an alternative requirement to enter the compliance information onto an online, publicly accessible Register of Approved Vehicles (RAV).

The reform also require a secure vehicle identification marking on new vehicles. This requirement will provide a significant deterrent to motor vehicle theft and re-birthing.

### **Will a Vehicle Identification Number (VIN) still be required?**

Yes, the VIN is separate to an identification plate or a Used Import Plate. As is the case in all comparable countries, a VIN will continue to be required on all vehicles for identification purposes.

## **Test Facilities**

### **What changes will there be for testing facilities?**

Currently, testing facilities only need to register with the Department.

Under the new legislation, testing facilities will need approval. There will be little change from the current registration process to gain this approval, which improves the integrity, efficiency and effectiveness of vehicle certification.

This change will provide an increased level of confidence that testing facilities have the appropriate staff, testing procedures, records management, and calibration procedures meeting the requirements of testing.

Only approved testing facilities may conduct tests to prepare evidence for approvals (type approval, model reports) under the new Road Vehicle Standards legislation.

## Component Type Approvals (CTAs)

### What are Component Type Approvals (CTAs)?

The current Component Registration Numbers (CRN) and the Sub-Assembly Registration Number (SARN) will combine to become the Component Type Approvals (CTA).

A CTA will comprise of the same level of evidence as required for either a CRN or SARN and will be consistent with the evidence required for a vehicle type approval so it can be used as evidence in obtaining a vehicle type approval.

### What is required to apply for a CTA?

To obtain a CTA, applicants will need to demonstrate that they have a direct link to the component manufacturer, and are able to supply documentation and access to their production and design facilities upon request. Only components to be used in the manufacture of new approved vehicles will receive a CTA.

## Caravans and Trailers

### What changes will there be to the treatment of trailers and caravans?

The reforms will:

- introduce type approval for light trailers to ensure the same level of regulation is applied to imported and locally-manufactured light trailers and caravans;
- introduce Model Reports to facilitate certification for heavy trailers through the type approval pathway; and
- clarify requirements for audit access to all stages of production, including manufacture of components covered by a component type approval.

## Treatment of Second Stage Manufacture

### How are Second Stage Manufacturers (SSM) affected?

The Road Vehicle Standards legislation allows for approval of vehicles modified by a second stage manufacturer (SSM) in one of two ways:

1. Type approval; or
2. Individual Vehicle approval using a Model Report via Registered Automotive Workshops (RAWs). SSMs may seek individual vehicle approval rather than seek a type approval if the SSM does not have:
  - sufficient access to design and production facilities for the base vehicle; or
  - an adequate level of evidence that the modified vehicle complies with affected standards.

In the case of second stage manufacture, there is no requirement for the vehicle to be on the Specialist and Enthusiast Register to be eligible for a RAW to access.

However, whichever approval path is chosen there are specific vehicle requirements.

### ***Specific Second Stage Vehicle Requirements***

The specific vehicle (or the base vehicle on which secondary manufacture is to occur) must be:

- New. The vehicle must not have been provided or used on public roads in Australia or overseas prior SSM;
- Covered by a current type approval under the RVSA; and
- Be entered on the RAV (refer RAV info sheet 8) by the first stage approval holder.

### ***Second Stage Type Approval***

Requirements for a SSM type approval are aligned to other type approvals. The SSM approval holder must:

- Provide evidence that the final vehicle complies with the relevant standards. However, the second stage manufacturer may also leverage off approvals already granted for the base vehicle, in which case, only evidence that the alterations made by the

secondary manufacture meet relevant standards will need to be provided. The second stage manufacturer will have the option to use a MR to provide evidence in relation to the modifications.

- Have access to design and production facilities to the extent of the modifications.

An approval lasts for 5 years at which point a further approval may be sought.

For more information refer to RAWS info (sheet 2), Model Report (info sheet 3), Authorised Vehicle Verifiers (info sheet 4) and Second Stage Manufacture (info sheet 8).

## Safety Recall Arrangements

### Why are recall powers included in the Act?

The new legislation provides the Minister with the power to issue a mandatory recall notice for road vehicles that pose a risk to public safety or do not comply with the national road vehicle standards.

These provisions largely mirror those contained in the Australian Consumer Law, which are exercised by the Australian Competition and Consumer Commission.

Including these powers in the Road Vehicle Standards legislation clarifies the Australian Government's powers to recall road vehicles. It also establishes a clearer legal power for the Australian Government to mandate the recall of commercial vehicles and vehicles that do not comply with the national vehicle standards. Today these vehicles are not clearly covered by the Australian Consumer Law.

## Proposed Cost Recovery Arrangements

### How will cost recovery arrangements work?

Consistent with the Australian Government Charging Framework, the Government proposes to recover the Department's costs of activities related to administering the proposed Road Vehicle Standards Act (RVSA) from industry participants.

The activities undertaken to administer the RVSA will fall into three broad categories:

- **Regulatory services** – assessing and processing applications for approval, and entering some vehicles on the Register of Approved Vehicles (RAV);

- **Vehicle Standards development** – developing new national standards (Australian Design Rules) for vehicle safety, emissions, anti-theft and fuel efficiency and ongoing work to harmonise with international standards; and
- **Compliance, enforcement and recalls administration** – conducting audits and vehicle inspections, investigating breaches, taking enforcement action and administering voluntary and compulsory recalls.

A new cost recovery model and proposed charging structure options are being finalised and will be outlined in detail in a draft Cost Recovery Implementation Statement (CRIS) that is currently under development for public consultation. Although this is a new model, it is not expected that costs for small business will increase – and may be reduced overall.

Following this public consultation process, a final CRIS will be published and the agreed cost recovery framework, including the amount of each of the charges to be imposed, will be given effect in subsidiary legislation that will be made under the RVSA after its parliamentary passage.

Fees and charges will not change before 2019.

## Further Information

For more information on the *Motor Vehicle Standards Act* reforms, please see the info sheets on the [MSVA Reforms page](http://www.infrastructure.gov.au/vehicles/mv_standards_act) on the Department's website: [www.infrastructure.gov.au/vehicles/mv\\_standards\\_act](http://www.infrastructure.gov.au/vehicles/mv_standards_act)