



Australian Government

BUILDING OUR FUTURE

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MOTOR VEHICLE STANDARDS ACT REFORM

Reform of the *Motor Vehicle Standards Act 1989* Frequently Asked Questions

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* (the Act) sets minimum performance standards for safety, environmental performance and anti-theft security for all vehicles entering the Australian market.

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

- The global automotive industry, along with vehicle technologies and consumer preferences, has changed significantly, both since the Act was implemented in 1989 and when it was last reviewed in 2000.
- A recent review of the Act and its regulations has identified a number of areas where the Act and the associated administrative arrangements can be improved and modernised. These reforms will deliver improvements to community safety and consumer protection, while giving Australians better access to specialist and enthusiast vehicles, providing significant savings for businesses and introducing a scheme allowing Australians to personally import a new vehicle from overseas countries with similar safety standards to ours up to once every two years if various conditions are met.
- The reforms follow extensive consultation including:
 - The release of an options discussion paper;



MOTOR VEHICLE STANDARDS ACT REFORM

- written submissions from stakeholders; and
- six public workshops.

What are the key aspects of the reform?

- The reform of the Act will:
 - provide a stronger and clearer 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 these with demand from motoring enthusiasts;
 - revise the Registered Automotive Workshop Scheme, 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;
 - introduce a scheme allowing Australians to personally import a new vehicle from overseas countries with similar safety standards to ours up to once every two years if various conditions are met; and
 - produce significant regulatory savings for industry by creating an online public Register of Approved Vehicles to replace the fitting of physical identification plates to vehicles.

Personal New Imports

Why is the Australian Government reducing the restrictions on the personal importation of new vehicles?

- With the increasing international harmonisation of vehicle standards, there is minimal justification for maintaining the current rules preventing consumers from directly importing a vehicle for his or her own personal use from a country with similar standards to Australia.
- This reform will provide Australian consumers with greater choice when purchasing vehicles and will ensure that Australian consumers can access vehicles with the latest safety and environmental technologies.



What are the criteria for personally imported new vehicles?

- The reforms will allow individuals to import a new vehicle that:
 - is either a motorcycle or a passenger car that was originally manufactured in right hand drive configuration;
 - meets the vehicle standards of a country with comparable standards to those applied to new vehicles in Australia (this would currently initially restrict imports to cars from the UK and Japan, however motorcycles could also be imported from USA and the EU);
 - is not more than 12 months old; and
 - has travelled a maximum of 500 kilometres or equivalent.
- The importer must be an Australian citizen or permanent resident and be eligible to hold a driver's licence in Australia.
- Individuals will only be able to import one vehicle per 24 month period.
- Each vehicle will be required to be inspected by an independent third-party inspection service to verify the vehicle's identity, condition and odometer reading.

When will I be able to personally import a new vehicle?

- Personal new import arrangements will commence in early 2018.

What safeguards will be put in place to ensure that personally imported new vehicles meet the criteria?

- Vehicle documentation will be examined to ensure that a vehicle meets the requirements of the country where it was purchased.
 - This will provide an appropriate level of assurance that the vehicle will be safe for use in Australia and meet appropriate emissions and anti-theft requirements.
- Consumers must arrange an inspection by an independent third-party vehicle inspection service.
 - The inspection will verify the vehicle's identity, condition and odometer reading.
 - The inspection could be completed prior to shipment of the vehicle, while consumers have recourse to the original supplier.
 - It is anticipated that in many cases quarantine inspections and cleaning (where required) may be combined with these independent inspections.



Will kit cars or other cars supplied under overseas concessional schemes be eligible for import under Personal New Imports Scheme?

- No – only vehicles that meet the national standards in the country of purchase (where these are comparable to the Australian Design Rules) will be permitted.
- Vehicles that are supplied in another country under concessional arrangements, such as the UK's Individual Vehicle Approval scheme, do not meet that country's vehicle standards and will not be eligible for importation into Australia under the Personal New Imports scheme. These vehicles may be eligible for supply through the Registered Automotive Workshop Scheme.

Will personally imported new vehicles be covered by warranty or vehicle recall provisions?

- Most vehicle warranties only apply in the country where the vehicle was purchased. Warranties are generally provided by automotive dealers as part of the purchasing package.
- The insurance industry has confirmed that it is in a position to provide warranty insurance to individuals seeking to import a new vehicle.
- Consumers purchasing a new motor vehicle manufactured overseas from within Australia may be offered some protection under the existing Australian Consumer Law (ACL) protections.
 - However, as with other goods sourced outside of Australia, the practical protection provided by the ACL would be limited as the vehicle sourced from overseas would need to be returned to its country of purchase to be rectified were problems to arise.
- Under current arrangements, vehicles that have not initially been sold into the Australian market by vehicle manufacturers via a dealership will likely remain outside of any manufacturer safety recall.
 - This is already the case for the approximately 2,500 vehicles imported into Australia each year through the current personal imports scheme and on-sold vehicles that have been imported as used vehicles.
 - The Australian Government will work with overseas inspection services and consult with local suppliers on options for identifying vehicles subject to an overseas recall.
 - The cost of a rectification of a personally imported vehicle subject to a safety recall campaign would be the responsibility of the vehicle owner.
- The Australian Government will make appropriate advice available to potential importers and vehicle purchasers, and will recommend that vehicle owners purchase warranty coverage for personally imported vehicles.



Will the frequencies used for cooperative Intelligent Transport Systems (ITS) in personally imported new vehicles interfere with frequencies used for mobile phones in Australia?

- Most of the world is working to harmonise the frequency band used by vehicles (5.8 – 5.9 GHz). Where vehicles are imported that operate on different frequencies, the transmitter in those vehicles will need to be modified or deactivated before use in Australia.

How will consumers know that the vehicle they plan to personally import into Australia has not been damaged and repaired? How can consumers ensure that the vehicle is what it was sold as?

- Each vehicle will be subject to inspection by an independent third-party vehicle inspection service, to verify the vehicle's identity, condition and odometer reading.

Who oversees the arrival of the vehicle and confirms there are no biosecurity concerns?

- As with all vehicles imported to Australia, biosecurity inspection is a matter for the Department of Agriculture and Water Resources.
 - There are established procedures around the importation of new and used vehicles.
 - Motor vehicles are generally subject to quarantine processes either on arrival into Australia or at the overseas point of export.
- When importing motor vehicles into Australia, it is the importer's responsibility to ensure each vehicle is clean and free from contamination of biosecurity concern, internally and externally, before it arrives in Australia.
- It is anticipated that, in many cases, quarantine inspections and cleaning (where required) may be combined with third-party inspections for damage and vehicle identity.

Currently the local automotive dealer collects the GST, Luxury Car Tax (where applicable) and stamp duty on a vehicle at the retail price. Who will collect these taxes for personally imported new vehicles?

- The GST and Luxury Car Tax (where applicable) payable on imported vehicles will be collected by the Australian Border Force (Department of Immigration and Border Protection) as part of the import clearance process.
- Stamp duty is collected by State and Territory Governments when a vehicle is registered for the first time.
- These arrangements already apply for existing vehicle import arrangements, such as older vehicles, vehicles owned by an individual overseas and vehicles supplied through the Registered Automotive Workshop Scheme.



If I buy a new right-Hand-drive car in Europe, will it be eligible?

- Yes, provided that the vehicle was originally manufactured in right hand drive configuration and meets the other requirements of the scheme, complies with the European Union standards and is supplied with a Type Approval Certificate.

When buying a used vehicle in Australia, how will I know whether it was imported through the Personal New Import Scheme?

- The Australian Government will establish a Register of Approved Vehicles; a publically searchable database that will be an authoritative listing of all motor vehicles approved to enter the Australian market. Details of personally imported vehicles will be recorded on the online Register of Approved Vehicles.
- Potential purchasers, repairers and insurers will be able to search the Register of Approved Vehicles to identify the vehicle's supply pathway (full volume, personal new import etc.).

Will the personal new imports impact on local dealerships?

- The personal importation of new vehicles is not expected to have a major effect on dealers overall, as the vast majority of new vehicles will continue to be sold through the established automotive retail sector.
 - There are currently over 13 million light vehicles registered on our roads, and growing. Dealers will continue to have the major role in servicing vehicles and supplying parts.
 - More than 1.1 million new vehicles are sold each year in Australia.
 - - Economic modelling commissioned by the Australian Government found that the total number of cars likely to be imported under the personal new imports scheme would be around 30,000.

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 to better meet its original intention of providing consumers access to a range of vehicles that are not otherwise available in Australia.



MOTOR VEHICLE STANDARDS ACT REFORM

- The reforms will also mean that consumers will have better access to a range of vehicles designed and manufactured for people with special mobility needs that are not currently available in Australia.
- The current pre-1989 cut-off for concessional importation of older vehicles will be replaced by 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 and what are the revised criteria?

- The criteria have been revised in order to better align eligible vehicles with genuine specialist and enthusiast demand.
- The reforms will revise the eligibility criteria, with all vehicle types required to meet one of five objective measures:
 - high performance vehicles (determined by power to weight ratio);
 - vehicles with environmental performance (e.g. emissions of carbon dioxide per km) significantly superior to mainstream vehicles in Australia;
 - mobility vehicles (vehicles manufactured with special features to assist people with a disability);
 - rare vehicles (very limited numbers have been manufactured); or
 - 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).
- There will be further consultation with stakeholders to finalise the details of these criteria.

Will there be any changes to the timing of entry onto the Register of Specialist and Enthusiast Vehicles?

- A vehicle model will be eligible three months after a manufacturer introduces it in an overseas market without making it available in Australia – this period is currently 18 months for used vehicles.
 - Three months will encourage the early launch of models into the Australian market.
 - It will also 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.



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 differentiation 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 (RAWS)

What are the changes for Registered Automotive Workshops (RAWs)?

- The reforms are aimed at removing unnecessary regulatory requirements while improving compliance with the remaining requirements. The reforms are expected to save businesses over \$4m per year.
- The limit on the number of passenger vehicles that can be processed by each RAW will be removed, and the Department of Infrastructure and Regional Development (the Department) will consult on appropriate controls.
- The revised RAWS will encompass vehicle types currently supplied under both the existing RAWS and the New Low Volume scheme. As a result, RAWs will be able to import both new and used vehicles, as long as the vehicle type is listed on the Register of Specialist and Enthusiast Vehicles as eligible for importation.
- Simplified technical and reporting requirements will allow RAWs to use standard compliance evidence packages (model reports).
 - These 'model reports' can be used broadly and be commercially traded. They will allow for a significant reduction in administrative processes for RAWs.
- Some vehicle modification requirements, such as mandatory replacement of roadworthy catalytic converters and tyres, will be removed.

How will the revised RAWS provide vehicle integrity assurance for the community and consumers?

- The reform will introduce an independent third-party inspection of each Registered Automotive Workshop vehicle prior to its supply to the Australian market.
 - The inspections will verify vehicle identity and structural integrity, and check that required modifications have been made correctly.
 - Inspections will be undertaken on a user-pays basis.



MOTOR VEHICLE STANDARDS ACT REFORM

- The cost of inspections will be offset by reduced modification and testing requirements, which are anticipated to reduce the regulatory burden on businesses by over \$4 million per year.
- The RAWs will continue to ensure that an identified company, with identified personnel, is taking responsibility for the supply of each vehicle, and for each vehicle's compliance with the requirements of the scheme.

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.
- The Australian Government will consult with industry and other stakeholders on the application of the quality management standards within Registered Automotive Workshops and on the procedures for accreditation.

Consolidated Concessional Import Schemes

Will there be any changes to the concessional pathways that allow for the importation of non-standard vehicles?

- Yes, the 12 existing concessional pathways will be consolidated into four streams:
 1. Temporary and non-road use vehicles:
 - Vehicles that are not generally permitted for road use (e.g. rally cars, race vehicles) – limited use on roads will be at the discretion of State and Territory registering authorities.
 2. Non-standard vehicles:
 - Vehicles that are built for a specialised purpose where a standard vehicle cannot perform the task.
 - The current 'personal import' arrangements will remain in place to accommodate the small numbers of vehicles owned and used overseas by a person who then comes to Australia.
 3. Older (classic) vehicles:
 - Replaces the current pre-1989 scheme with a requirement that the vehicles is at least 25 years old.
 - Limited to passenger vehicles, light commercial vehicles and motorcycles.
 4. Trailers (heavy and light, including caravans):



MOTOR VEHICLE STANDARDS ACT REFORM

- Imported trailers and caravans will be required to meet the same standards as those manufactured locally.
- All imported trailers and caravans will continue to require Vehicle Import Approval from the Australian Government.

Will the current 'personal import' arrangements for migrants and returning Australian citizens be retained?

- Yes, the current provisions allowing migrants and returning Australians to import a vehicle that 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 Registered Automotive Workshop Scheme (RAWS) will be amended to cater for both new and used vehicles, with revised arrangements to ensure that regulatory requirements can be met at the lowest possible cost.

Caravans and Trailers

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

- The reforms will:
 - apply the same level of regulation to imported and locally-manufactured trailers and caravans;
 - clarify requirements for audit access to all stages of production, including manufacture of components covered by a Component Registration Number or Sub-Assembly Registration Number; and
 - introduce 'model reports' to facilitate certification of light and heavy trailers.
- Further consultation will be held with suppliers and manufacturers on the certification requirements for trailers under 4,500kg Aggregate Trailers Mass (ATM).



Full Volume New Vehicles

Is the Australian Government going to continue to harmonise Australian vehicle standards with international standards and what will happen to the Australian Design Rules?

- The Australian Design Rules are already substantially harmonised with international (United Nations) standards and this harmonisation will be accelerated.
- The Australian Design Rules will be maintained as the mechanism for applying and mandating harmonised international 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.
 - There will be further consultation with the heavy vehicle industry during the next 12 months about further harmonisation of standards.
- The reforms will provide for the implementation of International Whole of Vehicle Type Approval, a new system that will enable 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 Act currently requires that most motor vehicles are fitted with an identification plate that confirms compliance with the Act.
- This requirement adds to the cost of supplying vehicles and is not required in many other countries.
- The reform of the Act will replace the requirement to fit an identification plate to each motor vehicle with a requirement to enter this information onto an online, publicly accessible Register of Approved Vehicles. Trailers will still need to be fitted with a physical plate.
- The replacement of the physical plate with an electronic record is expected to save industry around \$18 million a year.

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

The requirement for a permanently marked VIN is separate to any requirement to fit either 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.

Further Information

For more information on the Motor Vehicle Standards Act reforms, please see the [MSVA Reforms page](#) on the Department's website: www.infrastructure.gov.au/vehicles/mv_standards_act.