

MARACOONDA AUTOMOTIVE

American Vehicles

Submission on the Options Discussion Paper for the
Review of The Motor Vehicle Standards Act (1989)



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Submission to the Review of the Motor Vehicle Standards Act 1989.

1. Background

Our organisation is involved in the importation and compliance of vehicles, including converting from left to right hand drive where necessary, with the principal aim to provide a new and safe vehicle to the public, along with some limited near new second hand vehicles.

We are manufacturers under the New Low Volume Scheme, and also a Registered Automotive Workshop.

We are an ISO Quality Assured company, and have been for many years, well ahead of the introduction of this requirement by RAWs.

The current regulatory system is congested with red tape and obstacles to a competitive industry.

Regulations are cumbersome and overly complex, contribute in a negative manner to the burden and expense that the industry endures, and ultimately is borne by the public.

The following submission is based on our actual work experiences to date under the various Acts and Regulations that apply to the motor vehicle business in Australia.

2. Regulatory Framework

This is becoming more complex with each change to existing legislation, each new scheme introduced, and when combined with Administrators Circulars, state based 'interpretations' for their own registration purposes, National Codes of Practice that still have additional state based requirements, the entire legislative arena does not lend itself to helping the industry.

Rather it is increasingly becoming more complex, and seems more intent in catching someone out and penalising them.

Major changes in recent years to the Insurance Industry has seen the broad based approach to 'simple english' type policy documents, a move readily agreed to and accepted by the Consumer Affairs departments at the time.

The intrinsic difficulties that are inherent with a Federal system for Compliance, and a State system for Registration, causes its own difficulties by its very nature. A typical example is the difference in the age of vehicles that different states allows vehicles to be driven in left hand drive.

Our recommendation is:

- *all legislation should be so designed and written that it can support and guide individuals and organisations throughout Australia*
- *greater integration between federal and state so that the one set of rules can have equal effect regarding such areas as importation, compliance, registration*

3. International Harmonisation

This should be truly international, not just based on ECE. There is an inherent attitude that the European standards are all persuasive, and that the rest of the world does not come up to the same standard.

We acknowledge that there are some vehicles that are manufactured to overseas local markets, and that the standards required in those instances are not up to the ADR or ECE, or even FMVSS requirements.

We have proven, through testing within a Registered Test Facility under RVCS, to the ADR requirements, that there are a number of areas where an overseas standard are equivalent to the ADR requirements.

An example of this are FMVSS 571.105 Hydraulic and Electric Brake Systems and FMVSS 571.121 Air Brake Systems

In these instances, the standards were compared on a point-by-point basis, with mathematical calculations to bring the language and terminology all into the one metric base, and found to be better than the ADR in almost all cases, with the others at least its equivalent.

Physical testing of a range of different vehicles, under audited Test Facility conditions, has also confirmed those outcomes and comparisons. Testing again is counter productive.

Another example of this disparity is in towbars fitted to vehicles by original vehicle manufacturers, which to an increasing level are incorporated into the subframe of the vehicle chassis and cannot be readily removed.

These assemblies are certified to a tow rating, on average, of 10,000 lbs and a tongue weight of 1,000 lbs. Most of the NA and NB category vehicles imported from the USA have these type of assemblies fitted, and this includes Ford, Dodge and Chevrolet.

The testing regime between the FMVSS and Australian standards are completely different, and do not lend themselves to a point-by-point comparison, however there is no arguing that in an that overseas OEM market where over 1.5 million vehicle sales per annum of those same vehicles, it would be considered that the towbar assemblies would be more than adequate to tow the loads they are rated for, especially taking into due account the need for crash worthiness of the towing and towed vehicle, as well as other road users.

The local fix to this situation is often for the end buyer to fit an aftermarket towbar assembly such as a Hayman Reese one. While acknowledging there is nothing wrong with these towing apparatus or the standard they are certified to, they do not have the OEM engineering behind the original assembly.

Our recommendation is:

- where alternative standards have been proven to be comparable, or are obviously internationally recognisable, then they should be adopted as such, and not have to be proven on a continual basis for each and every different model, especially when the standards can be applied on a category by category basis.

4. Use of Private Sector

Currently the Department regulates and controls all aspects within its own resources.

There are a number of functions that could be released to the private sector to reduce the waiting period of having to be put in a queue and waiting until the responsible person gets to your slot in that queue. Absences from the office by that responsible person have a major, and detrimental effect on the productivity of those waiting in the queue. A set fee for service type of arrangement where purely administrative functions are performed on behalf of the department would be reasonable under these circumstances.

Some suggested uses for these private sector participants are:

- signing off on 045 certificates by Registered Professional Engineers of MIA Aust status, with direct submission to Niddrie for Plate Issuing
- providing inspection reports for vehicles with damage and/or corrosion with a statement as to their acceptability or not for fitment of a plate
- performance of conformity of production audits (note that this function is already being completed by ISO QA Auditors to some extent, but is not generally vehicle model specific)

Our recommendation is:

- *greater flexibility in using private sector in performance of administrative/examination tasks undertaken at individual workshops*

5. Full Volume Approval Restriction

Full volume approval is based on the OEM having access to and control over the entire production facets, parts, materials, and testing.

Currently, anyone is eligible to gain full volume approval on any motor vehicle. However, with the requirements of evidence and original test reports, how can the department be satisfied that organisations other than OEMs have the necessary access and control.

Our experiences to date have proven the original OEMs do not divulge what has become their proprietary information, test reports, procedures etc, so how can another organisation claim to have the same. They also restrict access to their Tier 1 suppliers.

Those others can have various components tested to ADR standards, but they have no control over how the item is made, what materials are used, and what if any changes are included in the ongoing use and retention of that component.

Additionally, with the vehicles now being sold in Australia being increasingly based on similar vehicles sold overseas, the lifetime restriction due to full volume approval places an undue barrier to competition. With the push to reduce the age of the vehicle fleet, and the soon to be reduction to volume manufacturers in Australia to NIL, there is merit in limiting this full volume restriction.

Non-original OEM Full Volume limits competition among other companies to their exclusion from the industry, and restricts the buying public from a greater range of manufacturers and their individual quality levels, which is a restriction of trade and a limit on the marketplace in general.

Our recommendation is:

- limit full volume approval to OEMs only, and reduce their restriction on life of model to 5 years after the date the vehicle is built, to allow the importation and compliance of near new vehicles to aid in reducing the age of the Australian vehicle fleet.

6. Combine New Low Volume with the Registered Automotive Workshop Scheme

The model shown at Diagram 3, Page 48 of the Options Discussion Paper, combines both NLV and RAWs into the one Compliance Workshop. Perhaps they could be called "Automotive Compliance Workshops" or ACWs for short.

We consider this would be a positive step, but would suggest that ALL vehicles other than those imported by original OEM's be required to be complied through a Compliance Workshop.

A single scheme would then be responsible for the administrative and day-to-day functions, and it MUST NOT be just another name covering the existing but separate schemes.

Having all such vehicles processed under the one scheme, and complied under approved workshops would provide for the necessary control and audit necessary to protect the end user, namely the public who purchase and drive the vehicles, as well as being able to meet the consumer protection required, and satisfy any regulatory controls.

Personally imported vehicles should also be covered by this combined system, again providing the necessary controls.

Once the workshop receives its 'Approval' then that approval should be continual, not limited to only 2 years at a time as in RAWs. Once the relevant parties have proven their qualifications and undertaken the knowledge tests as part of that initial approval, there should not be any re-testing provided the annual Quality Assurance Audits and periodic Conformity of Production Audits return positive results. It should be obvious from the audit outcomes whether a workshop and its personnel are understanding and following the ADR's, guidelines etc.

As to the makeup of the workshops, the personnel involved should be required to have the necessary qualifications and industry experience to own and operate such a facility, with the qualifications increasing as more complex tasks are undertaken.

The RAWs scheme already has some of these requirements, however with the increasingly complex nature of motor vehicles, their respective safety systems, electrical circuits etc, an employee only qualified as an exhaust fitter cannot be considered to have the necessary training and experience to sign off on a complete motor vehicle. The need to have a Road Worthy Certificate does not guarantee the vehicle is correctly engineered, just that it meets limited safety aspects.

A typical example of this is vehicles that have had a passenger airbag deploy for whatever reason can have a deletion panel fitted in its place, and a module connected to the wiring circuit to trick the onboard system into thinking that the airbag is still connected and functional. Unless this has been physically inspected the observer would be unable to see this modification.

Accordingly the vehicle needs to have a higher level of inspection by suitable and trained personnel. The Completed Vehicle Report under RAWs could easily be expanded to cover this aspect.

Qualifications for compliancing a vehicle would need to include a combination of training, experience, and formal qualifications. To use the above scenario again, an exhaust fitter cannot certify a vehicle having been converted from left to right hand drive.

Also, the aspect of where any modifications are made to the vehicles in order to have them compliant leads to accessibility and control over them by auditors and inspectors. Using the spare bay in the shed down the backyard is obviously unsuitable, and would also fall outside any council zoning restrictions for carrying on such a business.

Overseas workshops complicate this further by way of their very location, as it is much more difficult for the department to conduct routine inspections, conformity of production audits etc. Currently, any such facility is not required to cover any of the additional expenses necessary to have the department staff attend and conduct those processes, which amount to not only airfares, but extensive time away, meals, travel, and accommodation. At the minimum they need to cover these complete costs on a user pays basis.

Overseas workshops do not employ Australians except perhaps in limited supervisory roles. They do not pay Australian Payroll Taxes.

The use of outside contractors to do most of the work must also be limited, otherwise the control of the process fall outside the hands of the person responsible. There is still a considerable level of sub-contract work being undertaken behind the scenes, with the front man only being just that, especially where conversion to right hand drive is concerned.

Our belief though is that correct control over workshops in Australia is the most prudent method to ensure the processes used in compliancing a vehicle, including conversion from left to right hand drive as necessary, deliver a safe product to the end user.

Our recommendation is:

- *combine the importation of all vehicles built after 1989, other than by OEMs, under the one scheme governing 'Compliance Workshops'*
- *all such workshops to have Quality Assurance to at least ISO 9001:2008*
- *such workshops to be based in Australia*
- *personnel in control of workshops to be suitably qualified, with relevant industry experience, and a minimum of trade qualifications in Engineering, Mechanical (Light Vehicle) for conversions from left to right hand drive*

7. Plate Approval Quantities and Categories

The current and very different schemes of NLV and RAWS have their own individual plate limits per year.

Under a Combined Workshop scheme, and to reduce some of the restrictions of importing vehicles, it would be timely to review the level of plates available in a given period.

Under NLV the evidence requirements also has an effect on plate levels, currently 25 and 100 plates per annum

Our recommendation is:

- 50 plates per annum for NLV for each category of vehicle (based on current 25 per annum evidence requirements)
- 125 plates per annum for NLV for each category of vehicle (based on current 100 per annum evidence requirements)
- 100 plates fitted per annum for RAWS vehicles less than 5 years of age for each category of vehicles (based on current 100 per annum evidence requirements)
- 125 plates fitted per annum for RAWS vehicles over 5 years of age for each category of vehicles (based on current 100 per annum evidence requirements)
- 125% of plate limit per annum for Used Vehicle Import Approvals

8. Broad Banding Vehicle Categories and SE documentation under the One Approval

Both the NLV and RAWS schemes restrict the type approval to just the one vehicle make/model based on the category that vehicle falls into under ADRs.

To obtain an approval for a sister model that is identical in all respects except it falls into a different category, this normally requires a separate Compliance Application, SEVS Ruling, and RAWS submission to have the Workshop Schedule altered.

In reality, many sister models that fall into different categories have only minimal changes. Typical examples are the single rear wheel Ford F250 and F350 and the Dodge Ram 2500 and 3500.

To raise the GVM of the vehicles, and increase its carrying capacity, it is common practice for the original OEM to simply add an extra or heavier leaf spring into the rear suspension spring pack, thereby gaining an increase in Gross Axle Capacity for the rear axle, and achieving the required increase in GVM. The front axles are generally not changed, nor are the chassis, tyres, rims, or bodywork.

In these circumstances, it should be possible to have the approval cover the sister vehicles automatically.

This would greatly reduce the burden of workload, cost, and repetition of submissions with basically the same documentation, with only changes being due to the change in rear axle capacities.

Also, where NLV is approved, automatic approval should be given for the same models under RAWS. This would limit the additional documentation to only those items needing additional and specific RAWS information.

Accordingly, the SE documentation prepared for NLV should also be automatically passed for RAWS.

Indeed, the entire process at the workshop end could be combined into the RAWS style VIC, with a drop-down box providing the selection between NLV and RAWS. This would further enhance the merging of the documentation into the one type for all schemes.

Our recommendation is:

- *provide automatic coverage of approvals for sister models*
- *greater flexibility in using the same documentation across all schemes*
- *simplification of the submission of evidence into the same forms across all schemes*

9. Inspection of Used Vehicles for Deterioration and Corrosion

We are aware of a number of instances where vehicles under RAWs have been rejected due to some damage or corrosion being evident. The departments standard response in these instances is to reject the vehicle based on such damage or corrosion, regardless of how slight such damage or corrosion may be, and refuse to issue the authority to affix a plate.

There needs to be a greater understanding of the manner in which any damage or corrosion can affect the road worthiness, structural integrity and strength of the vehicle, where such damage is, what impact it has on that particular area and adjacent components etc.

In dealing with used motor vehicles, such items must be expected. Chassis-cab vehicles can have different tray bodies fitted over their lifetime, and often can lead to minor damage that is not detrimental.

Where any such confusion is present, then suitably qualified specialists from the private sector should be permitted to inspect the vehicle and issue a report on the matter, stating whether the vehicle is suitable or not.

Our recommendation is:

- Reports by Registered Professional Engineers with qualifications confirmed as part of their membership to MIE Aust, detailing the damage or corrosion, and the fact that it has no particular or adverse effect on the safety or road worthiness of the vehicle, should be acceptable.

10. LVM Modifications and Amalgamation of Second-Stage-of-Manufacture with New Low Volume

Vehicles manufactured overseas commonly fall into a different vehicle category under Australian Design Rules. Under the current schemes, these vehicles have to be compliant to the ADR category first, then undergo a secondary process to a different category, before being supplied to the market in the category the vehicle was designed for and certified to overseas.

This is a duplication of the first process, and has an inherent cost burden in time, money and resources for both the manufacturer and the department.

Where the same manufacturer is involved under NLV, then that manufacturer should be entitled to combine the two processes into one, submitting just the one application and SE documentation, ending up with the same result as the current process, with a greatly reduced cost burden.

The reduction of the workload for the department would also enable it to better utilise its resources elsewhere.

Also, some overseas models are based on GVM ratings, and clearly intended for a specific weight range category. Sometimes though, when converting these mass ratings into the ADR categories, the vehicle ends up in a different category to that which the OEM did not intend.

A typical example is for Ford F250, Chevrolet 2500, and Dodge 2500 Pickups that are based on the US vehicle range up to 10,000 lbs. This vehicle type is referred to the medium duty range in the US. Under ADR requirements the vehicles are considered to be 4536 kg, placing them in the NB2 range. LVM should be permitted to reduce these types of vehicles to a GVM of 4495 kg, which places them in the NB1 category which is more in line with what the OEM intended.

Our recommendation is:

- *where the same NLV manufacturer is involved, the imported vehicle should be able to be modified into another suitable category or configuration within the one Compliance Approval, prior to its supply to the market*
- *NLV should be allowed to downrate by a nominal amount the GVM to better align vehicles into ADR categories based on their OEM configuration*

11. Improved Information Technology

Both existing NLV and RAWs schemes use Informed Filler to prepare various aspects of the submissions such as RVDs and VICs, all Summary of Evidence and Selection of Test Fleet documents, as well as other supporting documentation.

Various other supporting documents are then prepared as word documents, jpeg images, pdf files etc then attached to the Informed Filler Files or just retained by the workshop to support their application.

Both of these schemes could be combined into the one type of process, which would then provide options from drop-down boxes for specific aspects of one scheme or the other.

Consideration should be given to combining aspects of the 045 Certificate for NLV with the VIC for RAWs into the one type of document, in conjunction with the entire system being combined into Compliance Workshops.

A single system that all could use regardless of scheme or vehicle type would certainly standardise the process for all concerned, and reduce the burden of the costs of running and maintaining separate ones. Staff resources could then be better utilised.

The Informed Filler templates also need to be updated in line with current technology, and the ability to use them in an Apple environment would be wonderful, as although there are programs available to let you run windows or old DOS based programs on Apple computers, often the end result is make do at best, and Informed Filler falls right into this latter category.

It would also cut down on the expense for the department to not have to change the logo and/or department logo every time there is a change to the department name etc. Why can't it be referred to in such a manner that these constant changes are not necessary, such as Evidence Document No 123.

The ability to use some of the common word processing features that Microsoft Word uses, within the Blank Sheet would be beneficial, as often it would be clearer when listing information to include it in a small table. At present you have to prepare a separate document then attach it. The less documents overall the better.

Our recommendation is:

- *improve the Information Technology system overall*
- *update Informed Filler to be usable in a Compliance Workshop scheme*
- *make the changes in a manner that can account for future department changes so forms do not have to be constantly changed*

12. Australian Design Rules, Administrator's Circulars and Procedural Changes

The current format of the ADRs provides for Annexes, Addendums, Exemptions, Exclusions, Alternative Standards, and wholesale attachment of ECE Regulations.

With the plethora of changes that can be introduced it is often necessary to print out the ADR and edit it to include all the changes, exemptions, limitations etc. before you end up with the information relevant to your needs. This complexity has only been increasing over time.

Surely there would be a better way to incorporate these into one workable document. If 11 entire sections of an ECE Regulation are not applicable for any category or vehicle, why not just leave them out entirely, instead of including them then having to list them in exclusions.

Some Administrator's Circulars also become weighted down with unnecessary information.

Additionally, any changes to the ADR's or other governing/advising documentation should be advised to interested parties via the website as soon as possible. The current method of including a note at the end of the ADR with a nominal reference to a particular clause does not accurately or clearly define what has changed, and certainly does not inform any interested parties.

Having to rely on any preamble that may or may not appear on the ComLaw website is also insufficient.

Procedural changes to various other documentation and processes also need to be better advised to end users. We have had several occasions in the past 12 months where evidence has been rejected on the basis "we had a meeting and decided that we wanted some changes" however the outcome of that meeting was never conveyed to those it affected. Relying on catching it when examining evidence documentation only causes frustration for the Licensee, and extra work all round.

A reduction in red tape will assist in the smoother integration of international harmonisation, as well as reduce the cost of compliance, and ultimately have a positive flow on affect to the buying public.

Our Recommendation is:

- *redesign the ADRs to more clearly define the requirements of each, and remove entirely that information which is just irrelevant*
- *update the Administrator's Circulars in line with revised ADR's*
- *advise all changes on the Website, with a notification as to when they will take affect*

13. Transition Period

The introduction of RAWS proved to have a very restrictive affect on normal business activities, and stopped many workshops altogether while they undertook the necessary Quality Assurance, sample vehicle and evidence examination processes, leading finally to approval as a RAW.

With this experience behind us, we should rightly expect that a smoother transition to the new combined workshop scheme would be forthcoming.

Many that will enter into this new scheme will already have the correct procedures, licences, trained personnel and Quality Assurance Certification because of their existing participation in LNV or RAWS.

If the market place is going to be used as the basis for measuring the effectiveness of the new scheme, then it is expected that a range of vehicles would still be available during any transition.

Existing approvals should remain in place for a period of 2 years from the date the new scheme is to take effect.

Participants will then have sufficient time to organise whatever documentation and other approvals they need, while still being able to trade under the existing arrangements.

At the end of that 2 year period, all approvals not yet transitioned would be terminated.

Such a period would also permit the department to ramp up progressively into the new scheme as the participants come onboard.

Our Recommendation is:

- *have a 2 year transition period to participate in the new scheme*
- *transition all existing approvals a participant has into the new scheme once they are approved as a compliance workshop*
- *terminate all remaining approvals at the end of the transition period*