

Chapter 3

Views raised in evidence

Support for the bills

3.1 A large majority of the submitters to the inquiry supported the overall policy intent of the Road Vehicle Standards Bill 2018, and commended the government for its modernised legislative approach.¹

3.2 Mr Trevor McPherson highlighted the point that the bill reduces an unnecessary cost to some users by removing the need to replace in-service items such as tyres, catalytic converters, filters and charcoal canisters, regardless of the age of the imported vehicle.² Karaday also supported these changes.³

3.3 The Federal Chamber of Automotive Industries (FCAI) recognised that the proposed legislation will continue the government's policy to harmonise new vehicle standards with international standards and that it caters for future developments in international vehicle regulations.⁴

3.4 The FCAI also welcomed the introduction of independent Authorised Vehicle Verifiers (AVVs). The proposed 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 comply with relevant standards. According to the FCAI, the requirement for AVVs to access each vehicle delivered by a Registered Automotive Workshop to establish its identity, will ensure that the vehicle is free from structural damage and meet its type approval.⁵ NatRoad added that AVVs will assist to 'level the playing field' for Registered Automotive Workshops by ensuring vehicle standards are consistently applied.⁶

3.5 Nichibo was also supportive of the establishment of an AVV network. However it noted that more could be done to establish a business case to assist those businesses which may consider becoming an AVV. According to Nichibo, this could

1 See, for example: Federal Chamber of Automotive Industries, *Submission 14*, p. 20; Caravan Industry Association of Australia, *Submission 20*, p. 5; RACQ, *Submission 2*, p. 2; Australia and New Zealand Driverless Vehicle Initiative, *Submission 27*, p. 3; Australian Automotive Dealer Association, *Submission 24*, [p. 1]; Motor Accident Commission, *Submission 33*, p. 2.

2 Mr Trevor McPherson, *Submission 8*, [p. 5].

3 Karaday Pty Ltd, *Submission 10*, [p. 3].

4 Federal Chamber of Automotive Industries, *Submission 14*, p. 7.

5 Federal Chamber of Automotive Industries, *Submission 14*, p. 15.

6 NatRoad, *Submission 23*, pp. 10–11.

be as simple as extending the authorisation period from two to five years, to enhance the return on investment and provide more commercial certainty.⁷

3.6 With regards to the civil penalty regime triggered by the new legislation, the Caravan Industry Association of Australia was generally supportive. It noted that the provision of false or misleading information with regards to a road vehicle or road vehicle component would be adequately penalised through the offences set out in clause 31 of the bill. However, it suggested that the penalties regime could go even further to ensure that non-compliance with the national road vehicle standards are policed satisfactorily.⁸

3.7 Support was also expressed in relation to the modernisation and strengthening of certain safety standards. The Caravan Industry Association of Australia noted that allowing trailer manufacturers who supply less than four vehicles a year to self-certify compliance was a 'significant step forward', with those supplying more than four vehicles required to register with the Department to obtain type approval. It explained:

The streamlining of provisions whereby heavy trailer manufacturers will be able to utilise a Model Report (MR) to allow a single assessment by the Department is also a sensible and more efficient way of gaining type approvals. We also warmly welcome the government's commitment to compliance with and enforcement of, RVSA obligations supported by enhanced monitoring and investigation powers, and new enforcement tools...⁹

Concerns raised in evidence

3.8 Whilst many of the issues raised in evidence concerned the regulatory details contained in the draft Rules, submitters to the inquiry also highlighted a number of provisions in the bills for which they held concerns. The following section details those concerns and provides the Department's response to them.

Risk to Australian businesses

3.9 Under the proposed legislation, the existing twelve concessional importation pathways are to be consolidated into two distinct streams – temporary/non-road use vehicles, or road use vehicles. Road use vehicles may be imported through the revised Registered Automotive Workshop Scheme (RAWS).

3.10 As part of the current arrangements, the RAWS allows for the importation and supply of used specialist or enthusiast vehicles to the market in Australia. The New Low Volume Scheme (NLVS) for new vehicles allows for the supply to the market of up to 25 or 100 new vehicles per vehicle category. The NLVS for new vehicles is

7 Nichibo, *Submission 11*, p. 4.

8 Caravan Industry Association of Australia, *Submission 20*, p. 4.

9 Caravan Industry Association of Australia, *Submission 20*, p. 6.

limited to vehicle make/models that are on the Register of Specialist and Enthusiast Vehicles.

3.11 Under the proposed changes, the new RAWs will encompass some vehicle types currently supplied under the existing RAWs and the NLVS. As the current NLVS will not exist under the proposed changes, RAWs will be amended to cater for both new and used vehicles under revised arrangements. Therefore, under these changes, Registered Automotive Workshops will be able to modify both new and used specialist and enthusiast vehicles, rather than just used vehicles. In addition, existing New Low Volume manufacturers will be able to become Registered Automotive Workshops.

3.12 The Australian Automotive Aftermarket Association (AAAA) raised concerns with regard to the inclusion of the NLVS under RAWs. The NLVS provides a major concession in that it allows alternative forms of evidence to be submitted against some Australian Design Rules. According to the AAAA, there is significant evidence from local manufacturers to demonstrate that Low Volume Approvals have been granted without the requirement for individual vehicle inspection. It argued that this is because individual vehicle inspections are 'unnecessary for these minor modifications and impose a prohibitive financial burden on consumers, which acts as a disincentive to upgrade a vehicle's suspension to make it safer'.¹⁰

3.13 The AAAA argued that the proposed incorporation of the NLVS into the RAWs, coupled with the additional requirement of individual vehicle inspections, could impact up to 500 vehicle upgrades per annum per company. It estimated that the cost for businesses to change to the proposed scheme will be close to \$500,000 per company. It noted that these proposed changes will have the practical effect of 'shutting down the market' for Gross Vehicle Mass (GVM) upgrades on lower volume platforms as they will not be economically viable.¹¹

3.14 The AAAA raised a number of additional concerns regarding the proposed incorporation of the NLVS into RAWs including significant safety concerns. It upheld the view that the proposal required a full engineering and regulatory assessment.¹²

3.15 The RAWs Association raised specific concerns regarding the viability of the existing 130 small Registered Automotive Workshops under the proposed changes. It suggested that the changes will benefit major vehicle manufacturers and importers, as well as major vehicle dealer networks at the expense of smaller Registered Automotive Workshops by restricting vehicles imports to only those determined by

10 Australian Automotive Aftermarket Association, *Submission 12*, p. 4.

11 Australian Automotive Aftermarket Association, *Submission 12*, p. 5.

12 Australian Automotive Aftermarket Association, *Submission 12*, p. 6.

manufacturer supported retailers.¹³ It held the view that the reforms would 'concentrate power within big business' and that small businesses participating in the RAWS will lose 'thousands of direct and downstream jobs'.¹⁴ It suggested that the draft bill threatens the existence of the RAWS industry with the potential loss of 130 mum and dad businesses and 1200 jobs.¹⁵ It continued:

A simple example demonstrates the effect of tightening regulation: The RAWS campervan segment processes 400 used and new vehicles per annum. 350 of them are used vehicles. The proposed new rules restrict imports to new campervans only. That will effectively reduce the campervan segment to just 50 vehicles – an unviable level of business.¹⁶

3.16 A number of other submitters raised concerns about the impact of the proposed changes on small businesses including vehicle importing services. The Auto Services Group, a small business based in Adelaide, noted that without any certainty regarding the number of imported vehicles that will enter Australia following enactment of the bill, questions remain regarding the viability of the independent imported vehicle industry, with some businesses facing the prospect of shrinking in size or having to close down.¹⁷

3.17 The Auto Services Group highlighted that the two reports commissioned by the Department in 2014 and 2015 had concluded that the importation of used vehicles in greater numbers would provide significant financial savings to Australian consumers while also reducing the fleet age and improving overall vehicle safety. It argued that the proposed changes had failed to adhere to these findings as the proposed new Rules will provide for a restricted automotive market which will reduce the number of vehicles eligible for import by 75 per cent.¹⁸

3.18 The Auto Services Group informed the committee that the proposed changes have already begun to take a toll on local businesses. It submitted that:

Managing the mental health of our fellow industry members has become a priority in the last twelve months, as many come to terms with the prospect that their businesses, into which they've invested countless millions of dollars without any form of government assistance, will shrink in size or close down. Some operators have already opted to close their doors rather than go through the stress of wondering whether their businesses will still be viable in the future.¹⁹

13 RAWS Association, *Submission 19 – Supplementary Submission*, p. 4. Also see: Mr Trevor McPherson, *Submission 8*, pp. 2–3.

14 RAWS Association, *Submission 19*, p. 1.

15 RAWS Association, *Submission 19*, p. 2.

16 RAWS Association, *Submission 19*, p. 8.

17 Auto Services Group, *Submission 4*, [pp. 3–4].

18 Auto Services Group, *Submission 4*, [p. 4].

19 Auto Services Group, *Submission 4*, [p. 3].

3.19 AutoTerminal Australia suggested that without sufficient modelling to indicate the number of vehicles expected to be eligible under the new Rules, there is a lack of business certainty. This view was echoed in evidence from the Australian Imported Motor Vehicle Industry Association which suggested that the proposed changes will not provide the vehicle volumes necessary to avoid business closures and automotive job losses.²⁰

Campervan and motorhome conversion

3.20 The Senate Selection of Bills Committee report drew attention to the specific impact of the new legislation on businesses importing vehicles for the purpose of conversion to campervans and motorhomes.²¹

3.21 A unique pathway under the current SEV eligibility criteria allows for the importation of vehicles for the purpose of conversion to campervans and motorhomes. According to the RAWs Association, a loophole within the legislation was utilised by many Registered Automotive Workshops who imported thousands of cars without subsequent conversion and enjoyed a highly profitable business.

3.22 Notwithstanding this point, it noted that there are many companies employing Australian workers currently using this scheme appropriately and that the total removal of used vehicles for fabrication into campervans or motorhomes would be 'negligent and dismissive of the business that use this criteria correctly'. It suggested, therefore, that the removal of this provision could damage many small businesses, and potentially impact on the tourism industry, which services a high volume of backpackers and 'grey nomads' through the provision of campervans and motorhomes.²²

3.23 Hybrid Australia echoed this view, explaining that:

The department's rule change would restrict import of vehicles building into Campervans/Motorhomes. If enacted this rule change would effectively shut down a segment that delivers more benefits to the Australian economy than just providing affordable campervan/motorhomes. Our family business, Hybrid Australia is one of these businesses that will be forced to shut down.²³

3.24 Conversely, the Caravan Industry Association of Australia welcomed the new legislation and expressed hope that the legislation would be 'implemented expeditiously', stating:

20 AutoTerminal, *Submission 21*, [p. 4]; Australian Imported Motor Vehicle Industry Association, *Submission 16*, [p. 3].

21 Senate Standing Committee for Selection of Bills, *Report No. 4 of 2018*, 28 March 2018, [p. 8].

22 RAWs Association, *Submission 19*, Attachment 1, p. 3. Also see: AutoTerminal Australia, *Submission 21*, [p. 4].

23 Hybrid Australia, *Submission 15*, [p. 1].

Caravan Industry Association of Australia is particularly pleased that the RVSA includes tougher measures in getting RV [recreational vehicle] product onto the road for manufacturers, and far reaching penalties for businesses not adhering to their compliance obligations.²⁴

Department response

3.25 The Department noted that the current regulatory framework imposes regulatory costs in the order of \$249 million per year. It made the point that, by streamlining elements of the new regulatory framework, such as the introduction of the RAV, and consolidating the twelve existing concessional approval pathways, businesses will be expected to save almost \$20 million. Of this, around \$4 million will accrue to small businesses such as Registered Automotive Workshops.²⁵

3.26 With regards to the volume of vehicles expected to enter the country through the revised importation pathways, the Department informed the committee that it anticipated that 'the new opportunities provided by the increased range of eligible vehicles, and the reduced compliance costs, will at least maintain the numbers of vehicles being processed by registered automotive workshops'.²⁶

3.27 As previously noted, under current arrangements, New Low Volume Manufacturers are able to supply up to 25 or 100 new vehicles per category per year, depending on the vehicle category. However, under the reforms, they will be able to supply vehicles that comply with the SEV criteria under the RAWs, with the benefit of model reports, or under type approvals in 'unlimited numbers'.²⁷

3.28 The Department made the point that these changes will replace not only the existing RAWs and NLVS, but also the Low Production Passenger Car Scheme and some of the arrangements for second Stage of Manufacture. Overall, the reforms aim to remove unnecessary regulatory requirements while improving compliance. At the same time, the Model Reports are expected to streamline and reduce the amount of compliance documentation by replacing the current 'evidence packs' used by Registered Automotive Workshops. Furthermore, and as previously highlighted, for these Registered Automotive Workshops:

24 Caravan Industry Association of Australia, *Submission 20*, p. 2.

25 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 5.

26 Department of Infrastructure, Regional Development and Cities, *Submission 13*, pp. 5–6. The EM states that the reforms to the SEV eligibility criteria and RAWs compliance requirements will enable the RAWs industry to 'continue at similar volumes as currently processed'. Explanatory Memorandum, p. 104.

27 Explanatory Memorandum, p. 104.

There will be no caps on the number of vehicles proposed by a single workshop or entered onto the RAV using this pathway.²⁸

3.29 The Department acknowledged that there would be costs involved in implementing these changes including industry adjustment costs to RAWs and the New Low Volume Importers, depending on their current specialisation and business model. However, it also highlighted the benefits of consolidating the concessional schemes, noting that it would provide increased clarity for import decisions as regulatory processes are simple, streamlined and clear.²⁹

3.30 The Department directly addressed stakeholder concerns regarding the SEV eligibility criterion which allows the importation of used vehicles for the purpose of campervan and motorhome conversion. It stated that it is 'widely recognised' within the industry that this importation pathway is 'a loophole' exploited for the purposes of supplying thousands of used people movers to the Australian market which have not undergone the required conversion into a campervan or mobile home.

3.31 The Department highlighted that this is a highly profitable business model due to the significant arbitrage available on these vehicles, and the minimal compliance work undertaken. It further noted that the average age of vehicles imported through this pathway has increased, now 8 to 12 years old. Moreover, as these vehicles receive concessions against Australian vehicle standards, the loophole is 'acting to circumvent the safety standards expected by the community'.³⁰

3.32 At the same time, the Department acknowledged that there is genuine market demand for some campervans and mobile homes that are not available in Australia. As such, the proposed two-year grandfathering arrangement will ensure that the two most popular models can continue to be imported into the country. It argued that businesses, and particularly those based entirely on the exploitation of this loophole, will have a transition period during which to adjust their schedules to meet the new SEV requirements.³¹

3.33 The Department further advised that, based on the consultations that took place in 2018 with regards to the draft Rules, the government is now working to allow for the importation of used vehicles 'intended for substantive conversion to campervans and motorhomes'. To ensure that businesses continue to comply with Australian standards, third party vehicle verification would be required under the new legislation.³²

28 Department of Infrastructure and Regional Development, Road Vehicle Standards Bill 2017. Registered Automotive Workshops – Information Sheet 2. December 2017, https://infrastructure.gov.au/vehicles/mv_standards_act/files/Info_Sheet_2_RAWs.pdf

29 Explanatory Memorandum, p. 98.

30 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 5.

31 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 5.

32 Department of Infrastructure, Regional Development and Cities, *Submission 13*, pp. 5–6.

Non-compliance with Australian vehicle standards

3.34 Some submitters expressed the view that the new legislation could pose a threat to Australia's high road safety standards, by allowing the importation of vehicles that do not meet Australian standards.³³

3.35 The FCAI drew the committee's attention to the criteria for entry on the SEV register, questioning 'what concessions to the national safety and environmental standards will continue to be allowed'.³⁴ In particular, the FCAI questioned the suitability of micro-car subcategory vehicles that may be eligible for importation under the environmental criteria of the SEV register:

The FCAI does not support the inclusion of such micro-cars into the environmental criteria as many vehicles that would meet these criteria do not meet modern safety standards (both occupant protection and active safety) and therefore are not suitable for operation on Australia's road environment.³⁵

3.36 A similar concern was expressed by OT Solutions regarding the mobility criteria for SEV register entry:

...the act will enable used Japanese vehicles with disability related modifications to be imported and sold without the same level of compliance and safety that is currently required within Australia.³⁶

3.37 Assistive Technology Suppliers Australasia emphasised the need to maintain Australian Standards across all vehicles, whether for daily use or for a specific disability need. Such an approach would ensure that all vehicles adhere to appropriate safety standards, regardless of whether they had entered through the RAWS, or through a concessional import pathway.³⁷

3.38 Submitters acknowledged that the establishment of AVVs would play a vital role in ensuring that road vehicles that have been modified by a Registered Automotive Workshop meet an acceptable standard of quality.³⁸

3.39 Under the proposed changes, AVVs can operate outside Australia. However, some submitters expressed concern that the operation of AVVs overseas could undermine the government's safety focus. The Truck Industry Council argued:

33 See, for example: Truck Industry Council, *Submission 22*, [p. 9]; OT Solutions Pty Ltd, *Submission 3*, [p. 1].

34 Federal Chamber of Automotive Industries, *Submission 14*, p. 8.

35 Federal Chamber of Automotive Industries, *Submission 14*, p. 13.

36 OT Solutions Pty Ltd, *Submission 3*, [p. 1].

37 Assistive Technology Suppliers Australasia, *Submission 9*, pp. 1–2.

38 See, for example: Nichibo, *Submission 11*, p. 4; Federal Chamber of Automotive Industries, *Submission 14*, p. 16.

Allowing RAWs's and AVV's to operate overseas and not conduct (at least) a final inspection within Australia to ensure compliance does not address the current issue of some RAWs's supplying non-compliant vehicles. Once entered into service the ability of Federal or State governments to locate and inspect SEV's non-complying vehicles is currently a significant issue...³⁹

3.40 The FCAI added:

To meet the Government's consumer rights policy objectives, the final AVV inspection must be conducted within Australia at the RAWs facility.⁴⁰

Department response

3.41 The Department emphasised the point that the automotive industry is global in nature, and that overseas manufacturers provide a large majority of vehicles to the Australian market. However, it noted that the combination of 'highly qualified and experienced vehicle industry auditors' and 'a spectrum of enforcement options' will ensure that any contravention of Australian standards is prevented.⁴¹

3.42 According to the EM, in the case of differing international and Australian standards for mobility access vehicles, the new legislation will require 'that the Australian Standards...be used as a compliance requirement – which can be done by a Registered Automotive Workshop using a Model Report'.⁴²

3.43 With regards to compliance, the Department stated that the bill provides for improved compliance and enforcement powers through triggering the *Regulatory Powers (Standard Provisions) Act 2014*, which contains a set of provisions to deal with monitoring, investigation and the use of civil penalties, infringement notices, enforcement undertakings and injunctions.⁴³

3.44 The new legislation also provides the Minister with powers to issue a recall notice for road vehicles and road vehicle components where necessary, and sets the framework for voluntary recalls. These provisions replicate and extend the current recall powers contained in the Australian Consumer Law.

3.45 In addition to these measures to reduce non-compliance with Australian vehicle standards, the Department notes that the bill provides for extraterritorial application. This ensures that persons located outside of Australia that demonstrate non-compliance with the conditions required for the import approval for a vehicle, can

39 Truck Industry Council, *Submission 22*, [p. 5]. Also see: Federal Chamber of Automotive Industries, *Submission 14*, p. 3.

40 Federal Chamber of Automotive Industries, *Submission 14*, p. 16.

41 Department of Infrastructure, Regional Development and Cities, *Submission 13*, pp. 6–7.

42 Explanatory Memorandum, p. 101.

43 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 7.

be appropriately regulated. Whilst the Department acknowledged the difficulties associated with bringing an overseas entity to account in the Australian court system, it noted that the amendment, suspension or revocation of an import approval may potentially deny that entity further business in Australia—thereby preserving Australia's road safety, environmental and anti-theft standards. It added that the government is proposing to require these independent vehicle inspections to occur domestically.⁴⁴

Reduction in personal choice of vehicles

3.46 The RAWs Association argued that the changes provided for in the bill may limit Australian consumers' choice in vehicles. It suggested that this reduction in personal choice would result from the 'very restrictive' definition of a 'variant', removal of the Personal Import Scheme,⁴⁵ and tighter rules for entry on the SEV register.⁴⁶

3.47 The draft Rules provide that the Secretary may enter a variant of a road vehicle model on the SEV register if the variant has not been provided in Australia, at any time, under a road vehicle type approval. Prestige Motorsport argued that this is 'a step backwards from the current scheme' and creates an 'unreasonable' restriction on the import of model variants that are no longer sold in Australia.⁴⁷

3.48 AutoTerminal Australia submitted that the cessation of the Personal Import Scheme will force Australians to purchase domestic cars that are older, more costly, and with significantly more mileage.⁴⁸ RAWs Association echoed this view, suggesting that continuing the scheme would have allowed up to 30 000 vehicles into the country.⁴⁹

3.49 Mr Jeff Ash added that a tightening of the current SEV criteria for importation would restrict his freedom of choice in purchasing vehicles from overseas,⁵⁰ whilst Karaday urged the committee to join the international market 'instead of being

44 Department of Infrastructure, Regional Development and Cities, *Submission 13*, pp. 6–7.

45 The Personal Import Scheme allows migrants settling in Australia, and expatriate Australian citizens returning permanently to Australia after a long period overseas, to bring their personal road vehicle with them, where the vehicle has been owned and used for a period of 12 months or longer. It is only available to individuals. Source: Department of Infrastructure, Regional Development and Cities, *Personal Imports Option*, https://infrastructure.gov.au/vehicles/imports/import_options/pis.aspx (accessed 24 April 2018).

46 RAWs Association, *Submission 19*, pp. 13–15.

47 Prestige Motorsport, *Submission 1*, [p. 2].

48 AutoTerminal Australia, *Submission 21*, [p. 3].

49 RAWs Association, *Submission 19*, p. 10.

50 Mr Jeff Ash, *Submission 17*, [p. 1].

restricted and held back from enjoying the freedom of choice' that consumers in other nations now enjoy when purchasing road vehicles.⁵¹

3.50 A number of submitters also drew on the findings of the 2014 Productivity Commission Report to argue for a relaxation of import restrictions to 'improve the choice of the Australian car buyer'.⁵²

3.51 Auto Services Group agreed with this, stating:

It is ludicrous that new car dealers and the Government should consider a used imported vehicle a "parallel import" once the model has been withdrawn from sale through new vehicle dealers in Australia (particularly when the review team has already publicly conceded that even genuine parallel importing would have no effect on new vehicle sales).⁵³

Department response

3.52 In his second reading speech, the Minister noted that the new legislation aims to 'strike a balance between applying appropriate safety, environmental performance and security standards to vehicles entering the Australian market for the first time and providing as much consumer choice as possible'.⁵⁴ The focus on consumer choice is one of the five principles on which the Minister relied in designing the new package of legislation.

3.53 With regards to the Personal Import Scheme, the Department informed the committee that it had conducted a series of consultation sessions with stakeholders about the scheme throughout 2016 and 2017. The decision to remove this aspect of the legislation was a direct result of this consultation process which established that 'the community risks of the proposed personal new import scheme outweighed the benefits'.⁵⁵ The Regulatory Impact Statement provides further justification for the change:

The Government's more detailed work has been unable to negate the cost and complexity of providing appropriate consumer awareness and protection arrangements. This would include investigation of each vehicle

51 Karaday Pty Ltd, *Submission 10*, [p. 1].

52 AutoTerminal Australia, *Submission 21*, [p. 3]. Also see: Karaday Pty Ltd, *Submission 10*, [p. 3]; Australian Imported Motor Vehicle Industry Association, *Submission 16*, [p. 2]. The Productivity Commission's 2014 Report, titled 'Australia's Automotive Manufacturing Industry' recommended that the government 'progressively relax the restrictions on the importation of second-hand passenger and light commercial vehicles', p. 163.

53 Auto Services Group, *Submission 4*, [pp. 4–5].

54 The Hon Paul Fletcher MP, Minister for Urban Infrastructure and Cities, *House of Representatives Hansard*, Second Reading Speech, 7 February 2018, http://parlinfo.aph.gov.au/parlInfo/genpdf/chamber/hansardr/8f7b4904-e5ab-452a-8736-6158744bd454/0021/hansard_frag.pdf;fileType=application%2Fpdf (accessed 23 April 2018).

55 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 4.

before it was imported to Australia; ensuring consumers were aware that the manufacturer's warranty may not apply in Australia; and establishing systems to deal with a manufacturer's safety recall. It would also have been necessary to ensure that subsequent purchasers of a vehicle, which had been personally imported into Australia as a new vehicle, were aware of this fact—and the consequences of this, such as the manufacturer's warranty not applying. In weighing these issues up against the modest benefits of the personal import arrangements—including price reductions estimated to be less than 2 per cent across the market—the Government concluded that the benefits did not justify the cost and complexity of this particular change.⁵⁶

Committee view

3.54 The committee acknowledges the majority support for the policy intent of the bills and the general agreement that the proposed legislation provides a flexible and responsive framework for road vehicle standards in Australia. It also appreciates that an extensive consultation process has been undertaken over a number of years and that 'no issues were raised in the consultation that required amendments in the bills introduced to Parliament'.⁵⁷

3.55 The committee notes the concerns expressed by some submitters about the regulatory framework for concessional vehicle importation, which is to be set out in delegated legislation. However, it appreciates that the government is working to refine the details of the Rules and subsequent technical and administrative arrangements provided for by the bills, and will continue to consult with stakeholders throughout this process.⁵⁸

3.56 The Road Vehicle Standards bills package will set minimum performance standards for safety, environmental performance and anti-theft security for all vehicles entering the Australian market. Noting that the *Motor Vehicles Standards Act 1989* has operated for nearly 30 years, the committee recognises that the package of bills will provide for a modern, clearer and more updated regime to set and maintain Australian road vehicle standards.

Recommendation 1

3.57 The committee recommends that the bill be passed.

56 Explanatory Memorandum, p. 68.

57 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 4.

58 Department of Infrastructure, Regional Development and Cities, *Submission 13*, p. 4.

Senator Barry O'Sullivan
Chair

