



## Supplementary Question

*Q. Would you be able to expand further on which regulations you think are particularly in need of streamlining, and how this might benefit your industry?*

### State Laws Dealing with Modification of In-Service Vehicles

In-service vehicle standards are not uniform across the country.

Australian Light Vehicle Standard Rules cover such matters as general safety requirements, like steering, seating, window tinting, tyre treads, as well as more specific matters such as vehicle configuration and dimensions, lights, braking, and emissions. The major areas where in-service light vehicle modification requirements differ between the states are:

1. Gross Combination Mass (towing capacity) upgrades,
2. Gross Vehicle Mass (carrying capacity) increases,
3. Vehicle lifts, and
4. Light trailer modifications.

A GVM Upgrade raises the Gross Vehicle Mass limit and allows you to transport a heavier load safely and legally without compromising quality or handling.

### Role of the States and Territories in Vehicle Standards and Safety

There is a National Code of Practice (NCOP) for state by state cooperation in vehicle modification, but the NCOP is applied differently in each state. State Government transport authorities produce state Vehicle Standards Bulletins (VSBs) and/or have a state based code such as the Queensland Code of Practice QCOP.

Where there are differences in state government modification rules, the states have mutual recognition in place. That means a modified registered vehicle can travel on interstate roads regardless of whether the modifications meet that state-specific modification rules. Whilst this allows travel between states, it does not mean accepting the same vehicle standards and as such different products are required to be designed and fitted for each micro-market. You can certainly drive through each state, but if you have a fleet of vehicles in each state, each vehicle will be subjected to different rules and assessed accordingly.

This affects our automotive industry ability to achieve economies of scale and it adds considerable time and effort in monitoring and designing products that must meet different rules in every state and territory in Australia. We have a fleet of over 20 million vehicles - but our world class manufacturers are designing and fitting products for smaller fragmented state by state markets. In addition to state

variations, some states are predisposed to coercive strategies that affect innovation and export growth of our industry:

reliance on strict, coercive strategies to achieve compliance often breaks down the goodwill and motivation of those actors who were already willing to be socially responsible. An organised culture of resistance can arise from policies perceived to be unreasonable and over-deterrence can chill innovation that might have led to superior outcomes. Organisation for Economic Co-operation and Development Reducing The Risk Of Policy Failure: Challenges For Regulatory Compliance. OECD, 2000. Page 17

### Background: The Modification of In-Service Vehicles

The vehicle modification industry plays a critical safety role in assisting motorists to increase vehicle's capacity to operate its intended purpose in a manner that ensures the vehicle is safe for all road users. Vehicle modification demand is mostly driven by trades, particularly the construction and mining industry, as well as recreational vehicles. The highest demand for modification is the requirement to increase the load bearing capacity of dual cab Utes such as the Toyota Hilux and to increase load and stability for 4WD vehicles to improve towing capacity.

Increasing the height of the vehicle for improved ground clearance is also in high demand from occupations requiring driving and travelling in tough conditions, including land management and mining industries. A large customer base for modifications includes major fleet operators (including public sector entities and emergency response agencies) seeking to modify vehicles for optimum safety - which is best achieved by making the alterations required to make the vehicle fit-for-purpose.