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Submission to: Rural and Regional Affairs and
Transport Legislation Committee

Title: HVIA Comments on the Road Vehicle
Standards Bill 2018 and related bills

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Background

HVIA would like to thank the Rural and Regional Affairs and Transport Legislation Committee for the opportunity to comment on the Road Vehicle Standards Bill and related Bills.

Heavy Vehicle Industry Australia (HVIA) represents and advances the interests of the entire industry involved in the design, manufacture, importation, distribution, modification, sale service and repair of on-road vehicles with a gross vehicle mass or aggregate trailer mass over 3.5 tonnes as well as their components equipment and technology. The industry directly employs over 36,000 people and provides some of the world's most efficient, safe, innovative and technologically advanced vehicles. HVIA seeks to work with government and industry stakeholders to promote an innovative and prosperous industry that supports a safe and productive heavy vehicle fleet operating for the benefit of all Australians.

A large proportion of HVIA's members supply vehicles or components currently regulated by the Motor Vehicle Standards Act (MVSA) and will be affected by the passage of the Road Vehicle Standards Bill through the Parliament.

HVIA has been closely monitoring the review of the MVSA and provided comments to the Department of Infrastructure, Regional Development and Cities during the early stages of the review process. Unfortunately, HVIA was not consulted during the drafting process but did have an opportunity to comment on the exposure drafts. HVIA has a good relationship with DIRDC and will work closely with DIRDC on the Rules associated with the Bill.

HVIA's Key Concerns

HVIA is keen to ensure that the Bill does not increase the administrative burden on our industry. Our industry is a very innovative industry and has a long track record of leading the world in getting innovative safe and highly productive road transport vehicles onto the road. Our industry is currently experiencing shortages in skilled staff and cannot afford to have additional imposts placed on it which do not add any value.

HVIA understands that the majority of the detail of the legislation will be contained in the Rules which are not before Parliament. HVIA will work with DIRDC on the drafting of the Rules.

HVIA has a number of concerns with the draft legislation and rules published by DIRDC in December. HVIA has discussed these issues with DIRDC but for the information of the Committee will provide a summary of these concerns in this document. DIRDC has expressed a view that these issues can be addressed through the Rules, but HVIA is not convinced that all of the issues are manageable by drafting of suitable rules. In particular, HVIA has significant concerns over the definitions associated with the "provision" of vehicles to consumers and the transition arrangements defined in the consequential and transitional provisions Bill.

There are a number of long standing practices in the heavy vehicle industry which were supported under the Motor Vehicle Standards Act which need to be managed in the transition to the road vehicle standards act. These practices exist because unlike the light vehicle industry Heavy vehicles are often

customised extensively before they are delivered to the customer. This customisation is designed to match the vehicle to the particular transport task it undertakes.

Truck Cab Chassis modified using VSB6

In the case of trucks this involves an extensive range of modifications to the vehicle that are either governed by Manufacturers instructions or the Vehicle Standards Bulletin 6 (VSB6) issued by the NHVR. The truck manufacturer obtains a full volume approval for a vehicle in “Cab Chassis” form and delivers the vehicle to a body builder who then undertakes the modifications using VSB6. Under the MVSA the vehicle is considered supplied to market when delivered to the body builder and the Heavy Vehicle National Law is called up to allow VSB6 to govern the modification. Body builders are not required to gain full volume approvals for every variation of “Cab-Chassis” and body combination and similarly approvals under the MVSA are not required for each of the other modifications undertaken under VSB6.

There are over 50 different modification codes under VSB6 and there are some new codes planned. If every permutation and combination of these required a type approval, the workload on both Industry and DIRDC would be magnified enormously.

Second Stage Manufacture

In the original draft rules, it appeared that all of these body fitments would have been pulled into the second stage manufacturing process. This would have been extremely onerous for the body builders. However subsequent discussions with DIRDC have suggested that they are planning to add an additional entry pathway within the rules to avoid this problem.

Transition Arrangements for CRNs and SARNs

In the case of heavy vehicle trailers, the design of the trailers are often customised to meet the particular needs of the customer. In this case the trailer manufacturers make extensive use of Component Registration Numbers (CRNs) and Sub Assembly Registration Numbers (SARNs) in their designs and typically re-use the documentation from similar models in seeking approval for a trailer. This issues also applies to modifications to trucks.

The certification of the components (CRNs) and the sub-assemblies (SARNs) are undertaken by the component manufacturers not the trailer manufacturers. Under the transitional arrangements outlined in the bills, trailer manufacturers have the option of opting in to the new arrangements and having existing full volume approvals transitioned across to type approvals. However, there does not appear to be a mechanism for simply transitioning CRNs and SARNs across to component type approvals (CTAs).

There are currently in the order of 10,000 CRNs and 900 SARNs in use at the moment and it is possible that, under the new Bill, component suppliers would be forced to develop component type approvals for every component and sub assembly during the transition period. This would be a substantial cost to the component suppliers. It is estimated from previous experience in the implementation of ADR38/04 that preparation of documents for each SARN or CRN would cost in the order of \$400. In addition, the cost to DIRDC to process this number of approvals would be substantial.

All of the relevant data for the existing CRNs and SARNS has already been provided to the department. Given that most of these components will have been in use for many years without incident it does not make any sense for costs of this order of magnitude to be imposed on industry as part of the transition process.

It is essential that there is a seamless process to allow CRNs and SARNS to be transitioned to CTAs with minimal additional costs. It is also very important that the Departmental processes associated with the transition do not delay approvals for new models of vehicles. Given that the cost of vehicles and combinations can be multiple hundreds of thousands of dollars or even millions of dollars, the costs associated with delays to approvals are substantial.

HVIAs Key Requests

HVIA would ask that

- Section 5(2) and section 24 should allow the current practice of providing Cab Chassis Vehicles to body builders to be allowed to continue under the new legislation. This would mean that the modification to these vehicles would continue to be managed using the National Heavy Vehicle Law and VSB6 rather than the Road Vehicle Standards Act. This would also ensure that body builders are not brought into the second stage manufacturing process. In order to provide sufficient flexibility this may require a rule making power to define the specific circumstances under which vehicles could be considered to have been provided to the market.
- The legislation needs to allow for a seamless transition process be put in place to allow existing CRNs and SARNS to be converted to Component Type Approvals without requiring industry to resubmit documentation. If this is not done HVIA has serious concerns about the capacity of industry and Government to meet the projected timelines for the transition to the new legislation.