



ROAD VEHICLE STANDARDS BILL 2017

SUBMISSION TO THE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
17 APRIL 2018



THE RAWS ASSOCIATION

The RAWS Association represents member small businesses that are authorised to import a range of used vehicles into the Australian market that are not sold here by the major brands. There are some 130 RAWS businesses involved in different parts of vehicle certification.

A reasonable estimate is that the industry directly employs about 1200 people and with its ongoing demand for parts and other services indirectly employs several thousand more.

It is important to highlight, RAWS businesses are effectively “mum and dad” operations, owner-operated and dependent on the ongoing viability of their businesses for their livelihoods.

Proposed changes to the Road Vehicles Standards Bill (RVSB) 2017 greatly benefit major vehicle manufacturers and importers, and major vehicle dealer networks. These amendments are likely to concentrate power within big business, reduce consumer choice and increase prices. RAWS businesses will be casualties of this, wiping out the industry and potentially thousands of direct and downstream jobs.

The RAWS Association has prepared a response to each of the key RVSB proposals that impacts its viability. A summary of those is contained in the issues table.

In all cases, these responses, if accepted, would have no impact on the major vehicle/manufacturers or dealer networks, but would provide certainty to the small RAWS industry. And they would provide consumers with more choice, affordably-priced vehicles and comprehensive consumer protection.

The RAWS Association asks the Committee to give equal consideration to a well-reasoned voice from small business; one that raises valid concerns and valid fears over the future of its industry – but proposes solutions that provide a win for all parties.

WE NEED TO TALK ABOUT THE SPECIALIST AND ENTHUSIAST VEHICLES (SEVS) REGISTER

A fundamental issue for the RAWs Association is that the type of vehicles it is allowed to import are dictated by definitions in the Department's "Specialist and Enthusiast Vehicles" register (see Appendix A).

The SEVS register should reflect REAL enthusiast vehicles. These are Sports cars, 4wd vehicles, people movers (yes, people are passionate about these).

There should also be provision for Specialist vehicles like Limousines, Tow trucks, hearses, Horse trucks, Food trucks. Why are these important vehicles being banned?

RAWs-destined vehicles are altogether more practical, commuter-oriented – and affordable. They offer broader choice to Australian consumers beyond the monopoly of the Full Volume (overseas) manufacturers: Toyota, Honda, Nissan, General Motors, Ford and so on and the used motor vehicle industry.

A RAWs-eligible vehicle is one that is not sold in Australia by the Full Volume (overseas) manufacturers.

RAWs-eligible vehicle include esoteric models like the Nissan Cube, Toyota Alphard, Nissan Elgrand and the Toyota FJ Cruiser (no longer sold new in Australia). These comply with Australian design regulations and are non-competitive with other sections of the motor vehicle industry.

The RAWs Association believes that arbitrary restrictions on the type of vehicles it can import needs to be eased.

This should be the first step in addressing the multiple inequities inherent in the draft Road Vehicle Standards Bill 2017 that threatens the existence of the RAWs industry with the potential loss of 130 mum and dad businesses and 1200 jobs.

We address the balance of the major issues in this submission.





AND WE NEED TO CHALLENGE THE FINDINGS OF THE REGULATORY IMPACT STATEMENT

The proposals contained in the Road Vehicle Standards Bill 2017 are largely based on the department's conclusions in its Regulatory Impact Statement (RIS).

This platform is rendered as a fundamentally unsound basis for a robust legislative bill as a close reading of the RIS unpacks a series of misinterpretations, an ignoring of subject matter expert opinion and, arguably, presents a process that endeavours to make the facts support a pre-determined outcome.

The RAWs Association presents a number of examples to support this assertion and contends that this body of evidence should throw into question the fidelity of the balance of the whole RIS.

On that basis, it should be returned to the department for reconsideration and alignment with the facts.

WHAT THE COMMITTEE CAN DO

RAWS Association president, Rob Ogilvie, is calling on the Committee to carefully consider the RAWS concerns in detail before voting on the RVSB.

“The future of this niche industry, family businesses, jobs and consumer choice is now in the hands of our politicians,” he said.

“We have a range of recommendations that address issues raised by the government’s proposed reforms.

“We believe these, if adopted, will deliver more choice, better prices and more protection to consumers and certainty to the RAWS industry,” Mr Ogilvie said.

“LET’S HOPE SOMEONE IN
GOVERNMENT COMES TO
THEIR SENSES BEFORE IT’S
TOO LATE FOR THOUSANDS
OF AUSTRALIANS.”



ROAD VEHICLE STANDARDS BILL 2017

“THE WINNERS ARE BIG FOREIGN BUSINESS AND A REDUCED WORKLOAD FOR THE DEPARTMENT.



CONSUMERS ARE SET TO LOSE CHOICE AND 130 MUM AND DAD SMALL BUSINESSES WILL PAY A HEAVY – THE LOSS OF THEIR LIVELIHOODS.

THIS IS THE MESSAGE WE WILL TAKE TO THE AUSTRALIAN PUBLIC AND POLITICIANS.”

Rob Ogilvie
President
RAWS Association

WINNERS & LOSERS IN PROPOSED GOVERNMENT ROAD VEHICLE STANDARDS BILL – AS THEY STAND

Losers

-  Consumers
Less choice
Higher prices
Older vehicle fleet = lower safety levels and higher emissions
-  Mum and dad RAWs businesses
Loss of livelihood
-  Employees
Loss of jobs
-  Service providers
Loss of business
-  People with disability
Smaller choice of vehicles, higher prices
-  Environment
Less hybrids, less low emission vehicles, less demand for charging infrastructure
-  Tourism and regional (casual) employment
Loss of RAWs campervan segment, the vehicle of choice for backpackers
-  Vehicle enthusiasts
No opportunity for individuals to import their own vehicles
-  Non-dealership outlets
Less choice for used vehicle sales outlets

Winners

-  Major vehicle manufacturers/importers
Less competition
-  New car dealerships
Less competition
-  Franchised Used car dealerships
Less competition
-  International logistics firms
Fill the gap left by RAWs small businesses
-  Department of Transport and Infrastructure
Reduced administration through loss of RAWs segment

“WE NEED TO FOSTER A POTENTIALLY DISRUPTIVE MODEL LIKE RAWs TO ENCOURAGE CHOICE AND COMPETITION.”

Rob Ogilvie

INDUSTRY SET TO BE LOST ALONG WITH JOBS, CONSUMER CHOICE AND PROTECTION

Our niche motor vehicle industry faces imminent risk of closure if proposed changes to the Motor Vehicle Standards Act 1989 (MVSA) are passed unchanged through the new Road Vehicles Standards Bill 2017 (RVSB).

New, restrictive legislation will mean some 130 “mum and dad” businesses, including many run by migrants, will lose their livelihoods, as will their employees, along with further downstream business and employment losses in associated parts and services industries.

Losers

Aside from RAWS and allied industry members, other losers will include:

- Australians will lose the choice in the motor vehicles they want to buy and the price they want to pay. What if consumers want a manual gearbox or different fuel type? The proposed SEVs does not deliver this.
- People with disability. They stand to lose vital independence with the loss of a wider range of specially modified vehicles and be forced to pay higher prices for the ones that don't suit their needs.
- Regional economies. There will be an impact on the loss of the affordable campervan rental segment championed by backpackers and its domino effect on regional tourism economies and casual agricultural employment (like fruit pickers). Retirees (the Grey Nomads) will have to pay more for a vehicle and not necessarily get the quality they want.
- Environment. Fewer emission-friendly hybrid and low powered vehicles will be available, further slowing the uptake of these vehicles and the roll-out of charging and other relevant infrastructure. The government created this SEVs category, but is failing to support it. By permitting, say, eight - 10 year old hybrid and environmental vehicles to be a part of SEVs will enable ordinary Australians to buy environmentally-friendly vehicles.

Winners

The winners will be the big Full Volume businesses and the Department of Transport and Infrastructure itself which will be able to concentrate its interactions through fewer participants, delivering massive economies of scale in administration and efficiency.

And the bill ensures the minister will retain a regulatory “blank cheque” to change any of the rules at his whim, a recipe for ongoing industry uncertainty.

Claims there will be losers are refuted by the department.

It refuses to acknowledge the loss of the RAWS sector as a potential unintended outcome of its regulation tightening – despite admitting in a public forum in Canberra on February 9 it had not been able to model the outcome of rule changes on the RAWS business.

A department spokesman insists RAWS numbers will remain “about the same” without explaining how that would occur.



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.

The business success of this segment has been its price pointing based on used vehicles that service a backpacker demand. The tightened regulations will not create demand for new campervans.

RAWS imports just 5000-6000 used vehicles annually, down from over 12,000 in 2007, a reduction caused by tightening regulations. A department industry spokesman at the same Canberra forum characterised RAWs as “an industry in decline”, somewhat ironic since the department’s regulation-tightening over the years caused that shrinkage.

To put the volume of RAWs business into context: the used and new vehicle industry accounts for some 3.7 million vehicle sales in Australia every year (based on ABS and industry estimates).

The volume of RAWs vehicles accounts for significantly less than one percent of that volume, and represents little competitive threat to either the new or used vehicle industry, but – no doubt – presents as an administrative and efficiency overhead to the department.

The RAWs Association has identified some issues that are set to have a dramatic impact on its volume of work and member businesses. (see pages 11-13.)

Key impacts include a loophole that enables FVs to cancel out a RAWs eligible vehicle simply by importing just one of their own; an onerous power-to-weight criteria that will dramatically reduce eligible vehicles by some 70 percent; and an automatic delisting of vehicles from the SEVS register after two years. The latter will reduce the ability of small businesses to recoup costs in having specific models tested and certified before import.

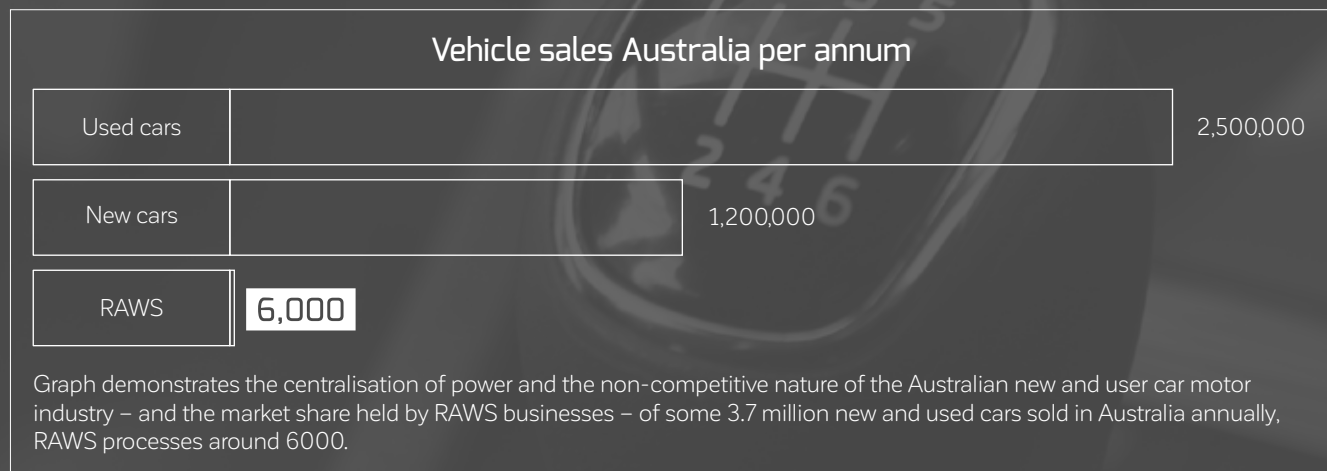
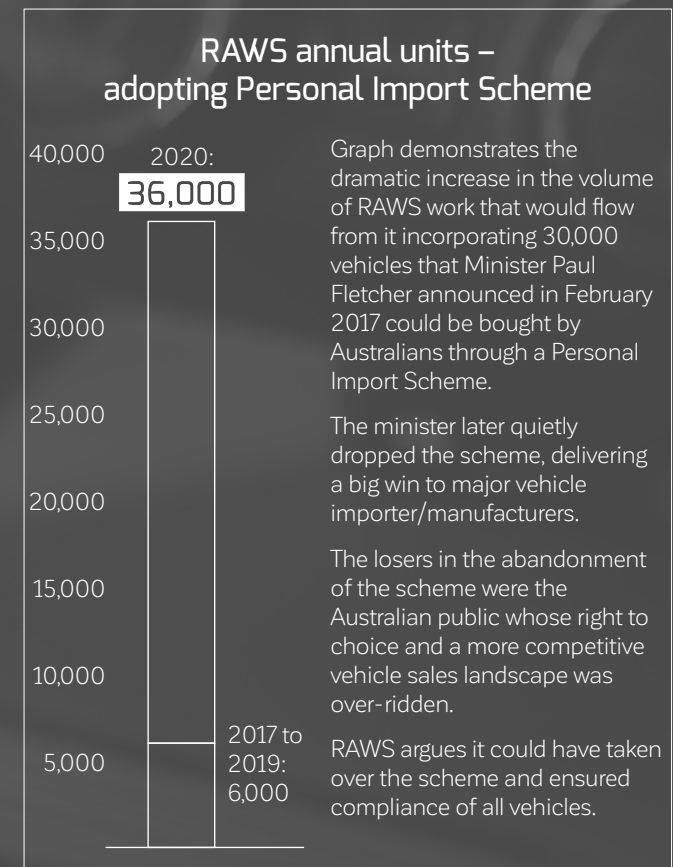
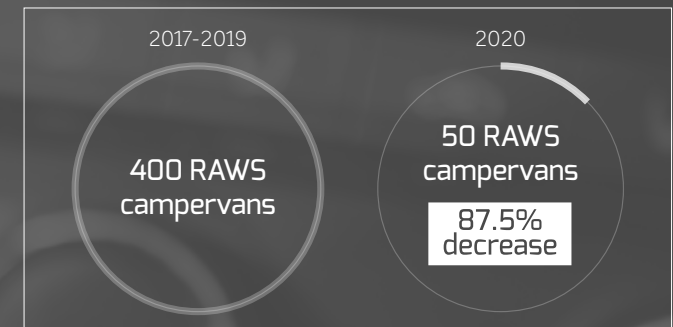
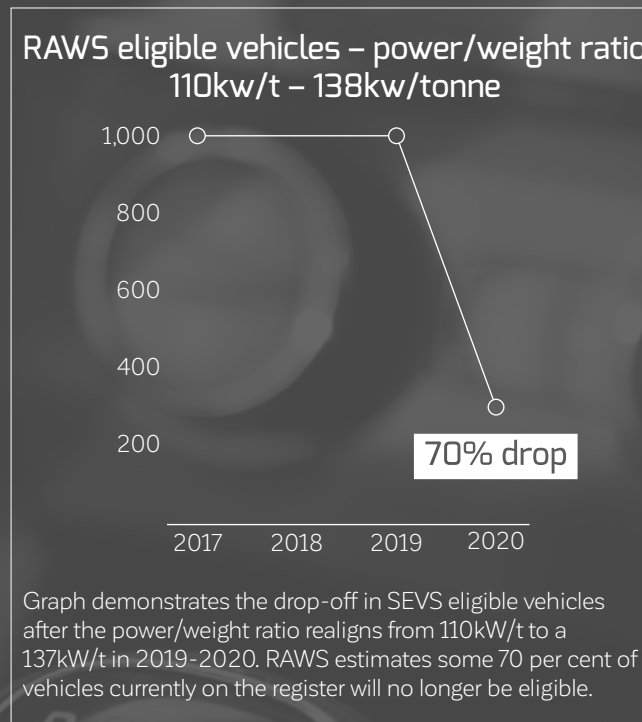
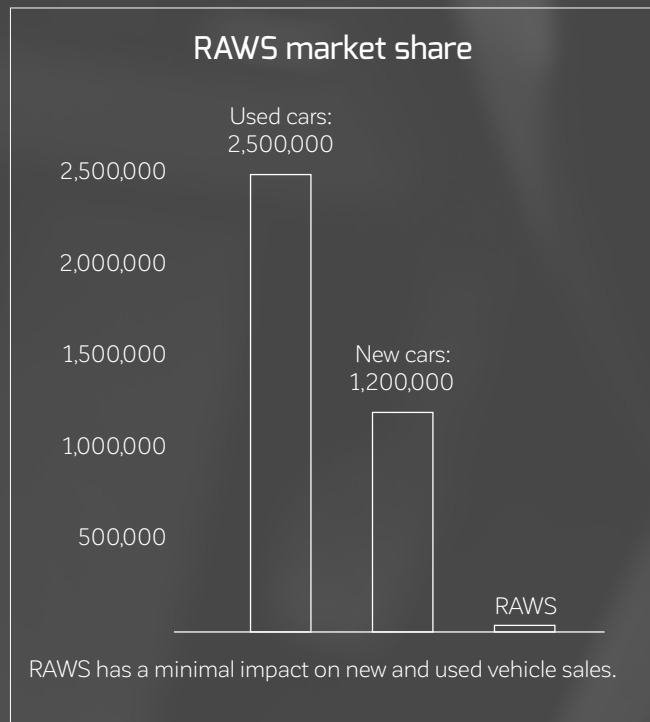
Another loss for Australians seeking personal choice in their motor vehicles has been the disappearance of the briefly proposed New Personal Scheme. This would have allowed consumers to bring in up to 30,000 vehicles per annum.

The RAWs association proposes this scheme be revived and vehicles processed through it to ensure consumer safety and protection. An increase of this level would still only see RAWs account for one per cent of all vehicle sales.

This would also ensure the department’s push in the Bill to make RAWs accreditation easier would actually have some merit; as it is proposed there would be no point in introducing entrants into an industry where new regulations stand to kill it off.

In conclusion, the RAWs Association calls on the minister and the department to present modelling that shows how the sector will definitively grow under the Motor Vehicle Standards Act (2017) or, in conceding it can’t, amend its rules in line with our recommendations.

FACTS & FIGURES



RAWS ISSUES SUMMARY

Issue	Government position	RAWS proposal	Benefits
Government abandonment of proposed Personal Import Scheme dramatically reduces consumer choice	Backtrack on promise of a new Personal Import Scheme that would have allowed consumers to import up to 30,000 vehicles.	Allow all vehicle makes/models 0-8 years old, not currently sold in Australia. Register should allow all variants of models if the Type Approved supplier does not import.	More choice, more used vehicles, decreases fleet age, boosts safety and increases consumer protection.
Power to weight ratio	Increase from 110kW/tonne from 1992 plus 1kW/tonne for each year = (2017) 135kW/tonne when new amendment enacted (likely to be 137kW/tonne if 21019).	Maintain current power to weight ratio of 105kW/tonne and raise to 120kW/tonne when new amendments take effect.	Maintains current volume of RAWS business. Jobs preserved. More choice for consumers.
Full Volume importers manipulating SEVs register	Current position allows FVs unintended options ie import of just one vehicle can remove that model from the SEVs register.	A financial commitment to the import of 200 vehicles of a make/model will ensure FVs are fully committed to their marketing and sale.	This will ensure a wide range of vehicles options remain available to consumers and RAWS businesses.
Availability and choice of environmentally friendly vehicles	Permit only vehicles that are not available in Full volume and requiring current emission standard be met.	Allow new and used environmentally friendly vehicles built before 2019 – regardless as to whether FVs are bringing them in. Remove requirement for latest emission standards. Remove kW limit on small cc vehicles under 1000cc (only 72 imported in 2016 with no limits on kW/tonne).	Increase the number of environmentally friendly vehicles, offer consumers wider choice, speed up charging infrastructure, reduce emissions. and bolster vehicle numbers- dealers win in service and spare parts. EVs come with premium technologies and price tags.
Availability of mobility vehicles (for people with disability)	Allow new OEM and off-shore 1st stage	Also allow used vehicles (with OEM and 1st and 2nd stage modification offshore). Control through certification not restricting choice. Allow EU and Japanese standards.	More price competitive, safe options available.
Campervans	Only new vehicles with OEM campervan modifications or offshore 1st and 2nd stage. Not on a used platform.	Keep current used vehicle option but tighten definition of campervan/motor home. Extra checks for model report and AVV.	More choice, boost to regional tourism and tourism-based economies (like fruit pickers and retired baby boomers), small businesses viability and jobs. Save current businesses.
Rarity	Government defines a “rare” vehicle as one where 3000 or less of any make/model are manufactured in one year. An average is taken on the life of a model or variant -not the actual year in question.	“Rarity” should be defined simply as vehicles makes/models that are not available in Australia. Production and assessment should be on any given year-not averaged.	More choice for consumers, more options for RAWS businesses.
Left Hand Drive vehicles	Scrapping ability to bring in trucks and buses for conversion under RAWS. Claims a safety issue.	Continue to allow LHD trucks and buses to be imported under RAWS as there is no evidence to support scrapping on safety grounds.	More affordable choice for consumers, viable small businesses, jobs .

Road Vehicle Standards Bill 2018 and related bills [provisions]
Submission 19

Issue	Government position	RAWS proposal	Benefits
Large amount of truck and bus fleet more than 15 years old. Very high cost to buy new.	Stop importation of used trucks and buses.	Allow trucks and buses under 8 years if make, model or variant not available.	Affordable used vehicles with older vehicles going for scrappage. Helps replace the more risky 15-30 year-old vehicles.
Overseas "offshore" pre import approval inspection by unregulated third parties	Government believe this should be voluntary.	Establish, auditable pre-import approval inspection process to Australian standards.	Consumer confidence in products, government benefits from essential check and balance.
Overseas vehicle inspections	No requirement for RAWS and AVV to be Australian based and owned. Can be Japanese, European etc with no accountability required.	All vehicles being complied by the RAWS must have their final check done in their Australian workshop. AVV must be performed in Australia.	Deliver confidence to consumers on the provenance, safety and performance of their vehicles. Deliver certainty to government that RAWS is operating to highest standards.
Mandatory AVV inspection time/place	Unknown.	An important feature that should be added.	Benefit of time/place – by mandating that an AVV advise a time and location of inspection, it opens the audit function to a much wider scope. This will ensure a far more level playing field.
Grandfathering RAWS to 2020	12 months with 12 additional for Estima and Elgrand .	24 months for all vehicles as all are affected within the industry.	With resources stretched within DIRD, 24 months allows for new system bugs to get sorted. Allows sufficient time for new models to be accepted into market place.
RAV not linking to RVCS	Not required.	Link to RVCS. Enable government agencies and the public to understand what the complied vehicle is . Odometer reading should be essential.	Public knowledge of their vehicle at first supply to market. Access to supply information not controlled FCA
SEVS register	Unknown.	Open SEVS entries six months prior to transition. Submit onto register vehicles from current register that are eligible.	This will spread the Departmental workload reducing the risk of backlog and industry issues. This will also facilitate the earlier preparation of model reports.
"Rules" section 117 2 a has not been provided in Australia, at any time, under a road vehicle type approval or because of an approval held under subsection 10A(1) or (2) of the Motor Vehicle Standards Act 198	Unknown.	Replace "at any time" with "currently," which no longer sell into Australia.	This will allow a more comprehensive range of SEVS vehicles not sold here.
Automatic delisting of vehicles from SEVs register	After two years on the SEVs register, makes/ models are delisted and require new application.	Vehicle make/model to remain on the SEVS register permanently on build dates up until vehicle is released in minimum FV import of 300 vehicles.	Business certainty, more consumer choice, more competition. Enables RAWS businesses to invest in testing and certification of new models for importation.
"Rules" section 117 2 c mentions only for rarity.	Unknown.	By removing "Rarity" here then it makes available vehicle make/model not here.	This will allow for makes and models not supplied to the Australian market, giving enthusiasts choice.

Issue	Government position	RAWS proposal	Benefits
"Rules" section 117 5 c to limiting.	Unknown.	By adding "not currently supplied," to this clause builds flexibility into rules here by stating not currently supplied.	"Not currently supplied" allows for vehicles that are not currently being supplied. Again, this offers choice.
Variant/model definition non functional section 124 rules.	Unknown.	By removing part 1 of this definition, we are stating what a variant difference is not. This will allow for technology changes as vehicles evolve.	Technology proofing as vehicles evolve.
RVSA Bill section 26 modification of vehicle before providing to consumer.	Unknown.	Perhaps mentioning first registration would be clearer. Example, bullbar fitted by dealer may not meet ADr69/73 standards. Larger wheels, etc.	Vehicles that are actually certified are actually registered.
No limit on RAWS numbers.	Not relevant, just red tape.	Limit of 500 per RAWS.	Industry would retain its niche position and provide sufficient business for participants.
Insufficient type approval on caravans/light trailers. Very little factory control.	Up to four trailers per individual without control. Each friend and family member could bring in four. Net option is type approval.	Make model reports a requirement except where real factory control can be Demonstrated. Most should fall under model Report.	A safe, controlled introduction to market.
Real specialist vehicles not catered for – eg food trucks, horse trucks, tow trucks, hearses etc.	Vehicles are on basic chassis - modified trucks don't count.	Introduce new criteria which addresses this or allows vehicles under eight years. Vehicle assessment should be on finished vehicle, not donor vehicle eg Equitrek horse floats.	More consumer choice, better prices.

RECOMMENDATIONS

Providing choice to Australian Consumers

AGE

Permit import of vehicle makes and models, not imported under a type approval, and less than eight years old. This promotes choice, lowers fleet age and improves overall fleet safety. This flexibility could be permitted under the “rarity” criteria as these vehicles would, effectively, be “rare” in Australia in terms of likely numbers.

POWER TO WEIGHT

Retain the current power to weight of 105 kW/t. Only 1000 vehicles have been imported this financial year with a 105 kW/t limit.

TYPE APPROVALS

These should require the import of a minimum number of vehicles to meet the criteria of them having been defined as “Full Volume”. There should be a minimum number of imports (ie 200) to satisfy the variant criteria. This would prevent manufacturers from gaming the system to prevent a model/make from entry onto the SEVs register.

ENVIRONMENTAL VEHICLES

Under the new bill, used imports will be required to meet stringent emission rules that currently apply to brand new full volume vehicles. There is an important role for used imported vehicles in replacing older, fuel inefficient vehicles. The previous emission standard should be retained. This will keep open the option for many more Australians to buy environmentally friendly vehicles at affordable price points. A requirement for used imports to conform to new vehicle emissions standards unfairly restricts environmentally-friendly vehicles to people on higher incomes.

CAMPERVANS

Continue to permit the import of used vehicles for customisation into a campervan/motorhome. Certification can be used to ensure this flexibility is not abused.

VARIANTS 1

The proposed “Variant” definition is very restrictive and minimises consumer choice.

VARIANTS 2

A fair “Variant” assessment as per our Appendix B.

TRUCKS and BUSES

Allow the commercial import of used and affordable medium and heavy vehicles to reduce Australia’s fleet age. This includes trucks and buses. This would help mitigate public safety issues inherent with significantly aged trucks and buses that occupy Australian roads.

MOBILITY VEHICLES

Continue to allow second stage manufacture for mobility vehicles that are imported into Australia. Ensure quality second stage vehicles are customised in Europe and Japan.

SEVs

Ensure the assessment is based on the whole vehicle. If the chassis of, say, a special truck for a special job is available or was available in Full Volume then this should not discredit a claim for registration as a specialist vehicle. The SEVs Application should be assessed against the completed vehicle.

Proposed improvements to raws

PRE-ENTRY

Mandatory “offshore” or pre-entry vehicle checks identifying vehicle structural integrity, ownership, odometer and other provenance issues.

AUSTRALIAN JURISDICTION

RAWS and Authorised Vehicle Verifiers must be Australian-owned and registered. Fabrication and certification preparation work be done before import but actual certification must be done in Australia.

IMPORT LIMIT

Limit RAWs to a maximum of 500 vehicles per annum per registered workshop. This will ensure deliver business certainty for current RAWs participants and prevent potential over-supply of used vehicles

GRANDFATHERING

Two years for all vehicles – this provides sufficient time for all stakeholders to adapt to new Act.

APPENDIX A:

WHAT IS THE DIFFERENCE BETWEEN A 'SPECIALIST' AND AN 'ENTHUSIAST'?

SPECIALIST

VS

ENTHUSIAST



Specialists hold specific knowledge on a subject.

A specialist vehicle is designed to perform a specific job.

Examples of specialist vehicles can include, but are not limited to sports cars, rare vehicles, hearses, limousines, campervans and motorhomes.



Enthusiasts are people passionate about a certain topic or product.

An enthusiast vehicle possesses unique qualities that makes someone passionate about driving or owning it. Many of these vehicles can be quite quirky in their looks, or behaviors but hold a special place in the hearts of their admirers. Enthusiast vehicles can also include rare vehicles, campervans and motorhomes.



CAR CLUBS

A car club or automotive enthusiast community comprises a group of people who share a common interest in a particular motor vehicle. Car clubs are typically organised by enthusiasts around:

- A specific type of vehicles like a Toyota FJ Cruiser or a Nissan Cube
- A brand like a Jeep
- Or a similar interest such as off-roading, or track days

Examples of some car clubs in Australia are with vehicles that don't meet the new proposed rules.

Toyota Alphard: <https://www.facebook.com/alphardowners/>

Nissan Elgrand: <https://www.facebook.com/elgrand.australia/>

Nissan Cube: <https://www.facebook.com/Nissan-Cube-Club-Australia-454548494595566/>

Toyota FJ Cruiser: <https://www.facebook.com/FJClubAust/>

APPENDIX B: “WHAT IS A VARIANT?”



Body

Body: Sedan, hatch, coupe, van, single cab, dual cab, truck, bus etc.

Seating options/ variable seating options



Drivetrain

2wd, 4wd, AWD (6 Wheeler or more)

Auto/manual/CVT/Alternative type

Engine capacity, cylinder number, cam configuration

Induction type plus combined engine types i.e. hybrid

Fuel type, petrol, diesel, gas, electric, hydrogen etc.

Fuel supply mechanism i.e. common rail, rotary pump etc.

Power increase greater than 10% (STI type vehicle)

Braking systems- actuation type, System type, Rotor/drum size/ power recovery systems

Suspension type

Steering type



Dimensions

Height, weight, wheelbase, track, ride height



Electrical

Lighting- LED, gas discharge, other

Entry/start system

Sound/audio/ satnav



Safety

Airbag numbers/ Types,

Avoidance systems

Other future safety features



Model code number change

Change in the VIN which defines a different model or variant