

Australian Historic Vehicle Interest Group

6 May 2018

Dr Jane Thompson
Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

By on line lodgement and email: rrat.sen@aph.gov.au

Dear Dr Thompson,

Supplementary Submission - Senate Inquiry into the *Road Vehicles Standards Bill 2018*

AVHIG wishes to supplement its submission of 16 April 2018 (and using the same abbreviations), as follows:

1. Need for pre-1989 Vehicles to be entered on RAV?

Presently, and since 1 January 1989¹, every vehicle manufactured after 1 January 1989 and supplied for use in Australia had to be fitted with a plate which indicated its status with respect to various Australian requirements. The new scheme proposed will replace these plates with an entry in the Register of Approved Vehicles (RAV). This will ensure that every post-1988 vehicle, whenever manufactured or imported, has either a plate or an RAV entry. AHVIG understands the need for this and supports this proposal.

However, pre-1989 vehicles are not required to bear a Commonwealth-mandated identification plate and never have been, whether sold new here or subsequently imported. It is estimated there are over 900,000 such vehicles in Australia. There is no suggestion of any proposal to have them entered on the RAV.

The Commonwealth has indicated that in 2012/13 around 11,500 vehicles over 25 years old (ie pre 1987) were imported². The Explanatory Memorandum to the RVS Bill indicates that in 2015/16, imports of pre-1989 vehicles represented 1% of all vehicle imports³ and was in decline.

Even assuming the number of pre-1989 vehicles being imported were to continue at say 10,000 vehicles a year, this would represent about 1% of the total pre-1989 vehicles in Australia. It is difficult to understand therefore what purpose, if any, is achieved by requiring them to be entered on the RAV. There has been no explanation or justification given for imposing a system which will result in only a miniscule proportion of vehicles in the pre-1989 class to be so registered.

AHVIG submits that absent valid reasons being given, and utility being demonstrated, for this new proposal, that the existing non-RAV system for importing pre-1989 vehicles should be retained.

¹ *Motor Vehicle Standards Act 1989* commencement.

² https://infrastructure.gov.au/vehicles/mv_standards_act/files/MVSA_consultation_paper.pdf at p 17 fig 6, and https://infrastructure.gov.au/vehicles/mv_standards_act/files/MVSA-Options_Discussion_Paper.pdf, page 16

³ At page 133, last paragraph

2.

This is further reinforced by the following points about resourcing, and cost, for no demonstrated benefit.

2. Resourcing and Cost

The typical time for the grant of a VIA for importing a pre-1989 vehicle is up to 6 weeks, and sometimes longer due to website issues. As quoted above, in 2013/13, there were over 11,000 such decisions. In reality, they were not true decisions (which would entail evaluating material and deciding whether or not to grant a VIA) as there is no Ministerial discretion involved. MVSR 17 says the Minister must grant the VIA.

The new RVSR section 43(1) requires the Minister to make a decision about granting an entry approval within 30 business days.

If it takes on average up to 6 weeks to grant a non-discretionary VIA, one asks what additional resourcing will be required to process 11,000 discretionary decisions each year, all within 30 business days? There has been no indication given as to how this is to be handled.

And what is the additional cost to the Commonwealth for the additional resourcing?

As pointed out above, it is difficult to understand what benefit will be realised by imposing this system on the importation of pre-1989 vehicles, when it will at best result in a register of pre-1989 vehicles which represents a miniscule proportion of such vehicles in Australia. Unless a register “covers the field” as will occur for all post-1988 vehicles (with either an Identification Plate or an RAV entry) it would seem to be a pointless exercise.

3. Less Red Tape Commitments

Throughout the process of reviewing the MVSA which commenced in 2013, and the reform proposals canvassed, one of the principal stated policy objectives has been the reduction in Red Tape.

Attached are copies of Ministerial Media Releases

- (a) *“Reducing Motor Vehicle Red Tape”*⁴ and
- (b) *“More choice for car buyers and less red tape for the car industry under planned Government reforms to motor vehicle laws”*⁵

which suggested that all of the existing processes under the MVSA would be simplified.

The old car movement relied on these assurances and others suggesting that the only proposed change to the importation system for pre-1989 vehicles was that 1 January 1989 was to be replaced by a rolling 25 year cut off.

It was only in December 2017 when the Exposure Draft of the RVSRs was published that the wholesale changes to the scheme for importing pre-1989 vehicles became apparent. These proposed:

⁴ Jamie Briggs MP 16 January 2014

⁵ Paul Fletcher MP 10 February 2016

3.

- (a) removing the mandatory right to obtain a VIA for a pre-1989 vehicle, replacing it with a Ministerial discretion to refuse importation, and
- (b) imposing a whole new Red Tape regime of importing such cars.

As they say, the devil is always in the detail, as so it is here.

So, rather than reducing Red Tape, a whole new regime of Red Tape is to descend on those who wish to import a pre-1989 car.

For the reasons given above, AHVIG submits that the existing scheme for pre-1989 vehicles should be retained, with as-of-right VIA grants and no entry on the RAV.

AHVIG also supports and adopts the recommendations in the Queensland Law Society Submission in its entirety. The prospect of having a computer exercise discretion and decide whether to allow the importation of a pre-1989 vehicle is something that does not bear thinking about.

Will you please pass this on to the Committee?

Yours sincerely,

Douglas Young
Chair



The Hon Jamie Briggs MP

Former Assistant Minister for Infrastructure and Regional
Development

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Reducing Motor Vehicle Red Tape

MEDIA RELEASE

JB003/2014

16 January 2014

Today I approved the Terms of Reference for a comprehensive review of the *Motor Vehicle Standards Act 1989* with a view to reducing regulatory costs to business and improving road safety.

The Act delivers national vehicle standards for new motor vehicles and regulates the first supply of used imported vehicles to the Australian market.

Having modern and effective streamlined processes is vital for motor vehicle manufacturers and importers whilst ensuring the quality and safety of vehicles for car owners and all road users.

The Act was last reviewed 14 years ago and it's time we looked at modernising its provisions, definitions and linkages with other legislation to improve efficiency and remove unnecessary red tape.

Since the last review there have been significant changes in vehicle technology and the motor vehicle manufacturing industry. We are working to deliver a regulatory system that is in touch with industry best practice, encourages innovation and improves productivity.

The review will identify options to reduce the regulatory burden on business and improve the safety, environmental and anti-theft provisions of the legislation. These options will be assessed in a Regulation Impact Statement and public consultations are expected to commence mid-year.

This is another example of the Australian Government's commitment to remove the burden of excessive red and green tape currently stifling the productive capacity of

our economy, and is in addition to the 8,000 unnecessary rules and regulations the Prime Minister has already committed to removing.

Overall, our reform agenda to repeal unnecessary red and green tape is expected to slash the regulatory burden on industry by approximately \$1 billion a year.

The full Terms of Reference of the 2014 Review of *The Motor Vehicle Standards Act* follow.

2014 Review of the *Motor Vehicle Standards Act 1989*

Terms of Reference

The review is to make recommendations on the most important changes needed for the *Motor Vehicle Standards Act 1989* (the Act) and its regulations based on consideration of:

- Whether the objects of the Act are being achieved, whether they continue to be appropriate and whether the current legislative framework is effective to achieve the objects of the Act.
- Whether there are opportunities to reduce the regulatory burden on business, and enhance productivity without compromising achievement of the Act's objectives with respect to safety, environmental and security outcomes.
- Whether the regulatory powers and reporting responsibilities in the Act facilitate effective and proportionate compliance by industry and consumers bringing new and used road vehicles to the Australian market for the first time.

In considering the above questions, the review shall have regard to the stakeholder views expressed in the Public Consultation Report *Motor Vehicle Standards Act 1989* (August 2013), identified administrative issues, best practice regulatory principles and outcomes from the Productivity Commission's inquiry into support for the Australian Automotive Manufacturing Industry.

Specific matters to be taken into consideration include, but are not limited to:

- a. the current and future likely structure and operations of the motor vehicle industry;
- b. the needs and requirements of consumers and road users;
- c. the interaction with the state and territory regulatory requirements in relation to vehicles;

- d. the impacts of the aftermarket on the integrity of the Australian Design Rules (ADRs);
- e. Australia's international obligations in implementing standards relating to vehicle safety, emissions and other standards
- f. appropriate risk management arrangements in relation to the development and enforcement of the ADRs;
- g. the trends relating to the current concessional schemes and emerging pressures; and
- h. efficiency of administration of the legislation.

Last Updated: 29 June, 2015



The Hon Paul Fletcher MP
Minister for Urban Infrastructure and Cities

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More choice for car buyers and less red tape for the car industry under planned Government reforms to motor vehicle laws

MEDIA RELEASE

PF017/2016

10 February 2016

Planned changes to the *Motor Vehicle Standards Act 1989*, announced today by the Australian Government, will give more choice for car buyers and save industry over \$70 million a year in lower regulatory compliance costs.

Consumers will get more choice in three main ways.

Personal import of new motor vehicles

The law will be changed so that, from 2018, a consumer will be able to personally import a new car or motor cycle from another country with comparable standards to Australia's, up to once every two years, if specified conditions are met.

The vehicle must be a motorcycle or right hand drive passenger vehicle, be no more than 12 months old and have no more than 500km on the odometer.

The Australian Government will specify the countries considered to have comparable standards. Of the world's right hand drive countries, Japan and the United Kingdom currently meet the standard. Other countries may be included upon reaching a comparable standard.

"Over one million new vehicles are sold in Australia today; over 90 per cent are imported and within two years all cars will be imported once Ford, General Motors and Toyota cease local manufacture", Minister for Major Projects Paul Fletcher said today.

"With around 30,000 vehicles a year expected to be personally imported, most Australians will continue to purchase vehicles directly imported by manufacturers and sold through their existing dealer networks.

"These new arrangements however will offer consumers greater choice. If a manufacturer chooses not to sell a particular model in Australia, a consumer may now have an option to source this model overseas."

Improvements to existing schemes for specialist and non-standard vehicles

The changes will improve the existing arrangements for importing exotic, rare, classic, collectible and special purpose vehicles.

Today, individuals can import a car or motorcycle under concessional arrangements if it was manufactured before 1 January 1989. Keeping this fixed date would have steadily reduced the scope for importing genuine classic cars into the future.

The new rule will allow a vehicle which is at least 25 years old to be imported under these arrangements.

For newer vehicles, the Register of Specialist and Enthusiast Vehicles will be revamped, and limits on the number of vehicles that can be imported by each Registered Automotive Workshop will be removed.

In line with the Australian Government's deregulation agenda, the changes will also simplify the pathways for importing non-standard vehicles used for special purposes, such as mining equipment, exhibition vehicles and vehicles not permitted for general road use.

While the Government is improving these existing schemes (under which used cars that meet specific criteria have long been able to be imported, and will continue to be able to be imported), it is not making any general change to the rules for used cars. As the Government announced in late 2015 in its response to the Harper Review, the Government has decided not to proceed with reducing parallel import restrictions on second-hand cars.

Removal of \$12,000 special duty on imported used vehicles

The Government will amend the *Customs Tariff Act 1995* to remove the \$12 000 special duty on imported used vehicles from 2018.

"Although this duty is not often applied, it is on the statute books, costing more to administer than it raises—and is seen by consumers as a hurdle to importing second hand cars even in the specific circumstances where such imports are permitted. By

removing this duty, we will provide more options for Australian consumers," Mr Fletcher said.

Industry will enjoy lower regulatory compliance costs, as these changes to the *Motor Vehicle Standards Act* will align Australian rules more closely with international vehicle standards. This will reduce regulatory costs for manufacturers while maintaining high standards for vehicle safety and environmental performance.

"Motor vehicle manufacturing is a global industry where global standards apply—so it makes sense, and saves money, for Australia to use the global standards as much as possible," Mr Fletcher said.

The changes will also simplify the importation and certification arrangements for vehicles, to improve efficiency and remove unnecessary red tape for businesses.

Under the new law there will no longer be a requirement to physically affix an identification plate to vehicles. Instead the vehicle's details will be entered on a new Register of Approved Vehicles—an online, publicly searchable database of new and used vehicles approved for use in Australia. This measure will save manufacturers an estimated \$18 million per year.

The changes announced today follow an extensive consultation process undertaken as part of the review announced in 2014. Legislation to implement the changes will be introduced into Parliament later this year.

For further information visit www.infrastructure.gov.au/vehicles/mv_standards_act

Last Updated: 10 February, 2016