



AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION

L3, 10 National Circuit,
Barton, ACT, 2600

PO Box 4409
Kingston, ACT, 2604

E info@aada.asn.au

aada.asn.au

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Ms Sharon Nyakuengama
General Manager
Vehicle Safety Standards
Department of Infrastructure, Transport, Cities and Regional Development
GPO Box 594
Canberra ACT 2601

Email: RVSAimplementation@infrastructure.gov.au

Dear Ms. Nyakuengama:

I write to first thank you for the very productive working group meeting that your team recently hosted in Brisbane. You requested feedback on some of the draft documents circulated just prior and after the meeting. This is included below.

SEVS Handouts

Variation. We support the intent of making the definition of 'variant' more objective through the inclusion of both design and operational performance and in theory these requirements are reasonable. However, we note that this approach needs further refinement. For example, in looking at different design characteristics the Rules should require that the difference results in a positive change to the operational performance of the vehicle and should not result in a vehicle that is less safe for consumers.

For example, the new additional requirements appear to enable Euro6-rated versions of vehicles (versions of which are sold in Australia with Euro5 components), to be brought in as variants under the Concessional entry path. The more stringent emission requirements of the Euro6 standards entail sufficient changes to drivetrain design that they would appear to easily meet both the design and operational performance requirements of the new 'variant' definition. It is well known that Australia has resisted adopting the Euro6 standard due to concerns over such engines' ability to operate on Australia's current fuel specification. This could result in instances of significant consumer harm. There may be other such examples, whereby standards which have been adopted to suit the Australian context may enable vehicles with different design characteristics to come in via the SEVs scheme.

The AADA has long argued that the definitions included in s.128 of the Rules are too vague and subjective to allow proper scrutiny, and that an alternative, internationally-agreed definition would be more suitable. Such alternative definitions include the EU definition (Annex II of EU Directive 46/2007), or the definition of variant within the United Nations Regulations (Regulation 0, Annex 7) for the International Whole of Vehicle Type Approval. Either of these definitions would be acceptable to us as they are concise, objective and internationally recognised.

We do not support the wording that suggests adding multiple cosmetic differences together is enough to define a variant, whether or not this has been referred to in marketing by the manufacturer. We simply disagree that characteristics such as colour, upholstery, audio visual, climate control, exterior trim or the number of cup holders should be considered in combination with others to represent a new variant. Many of these features can easily be gamed and even added in the aftermarket.

Performance. We are firmly of the view that the standard set out in s.130 of the Rules is not suitable, and that there is no rationale for having different standards for vehicles built before or after January 2020. We believe the standard should be 130kW/tonne for all years of manufacture, and that power output claims need to be formally tested by the AVV. This would ensure a standard approach regardless of marketing spin by the OEM. We would also note the uncertainties about whether the power standard would be measured at the flywheel, or at the wheel. The former approach would require that the engine be removed from the vehicle for measurement. The latter can be measured on a rolling road dynamometer and would retain all engine ancillaries (e.g. alternator, power steering pumps, etc), making it more realistic. Measuring power at the wheel ensures that an AVV can check the claims without substantial additional costs.

Environmental. We support the proposed additional requirements to close the motorcycle loophole. We do not support the wording that suggests vehicles in all L-categories are eligible for RAV entry under Section 131 (b) (i) of the Rules. It remains unclear to us how the Rules will treat vehicles in the heavy-quadricycle (L7e) category as opposed to the 'Kei' vehicles explicitly mentioned in the Rules. We believe that this area requires further work.

Overall, we consider that the biggest problem with the environmental criterion is that it will enable vehicles to be brought in that offered a superior performance to local variants at the time of first supply in that market. The used cars coming in under this category will be in service vehicles and their environmental performance will have been affected by prior use and modifications. The ADRs are for cars first supplied on the Australian market, essentially new cars, and use of the ADRs to benchmark against variants from other markets are only appropriate when those vehicles being imported are new.

Mobility. We support the proposal to restrict applications to vehicles manufactured after 1989.

Left Hand Drive. We support the proposal to restrict applications to vehicles manufactured after 1989 for medium goods vehicles (NB2 sub-category).

Campervans and Motor Homes. We support the proposal to restrict applications to vehicles manufactured after 1989 in circumstances where the application is for a Light Omnibus MD, Heavy Omnibus ME vehicle categories or Medium Goods Vehicle NB2 sub category.

Rarity. We support the proposal to withdraw eligibility under this criterion from vehicles in the Medium Goods Vehicles NB2 Sub Category. However, we **do not** support the proposal to extend the 'rarity' criterion to include identical vehicles where the single significant difference is 'badge engineering'. While the practice is increasingly rare (only real current examples being the Toyota 86 and Subaru BRZ) it is unclear why a mere badge should grant a vehicle rarity status. Our view is that unless the two vehicles meet at least the level of difference of a variant, they should be considered to be fall within the same production pool.

Recalls

We support the overall intent of the comprehensive approach, particularly in light of concerns that emerged following the recent Takata recall. Nevertheless, several questions arise:

- Which party would be responsible for notifying the system of recalled VINs? Slide 13 of the pack suggests the supplier/OEM but Slide 15 seems to allow for the retailer.
- Will Dealers be required to interact directly with the RMS? If so, will the RMS talk directly with the various Dealership Management Systems (DMS) that are used by various manufacturers? Such communication would eliminate much of the logistic burden associated with recalls and avoid the common errors that arise when VINs have to be keyed in multiple times.

- **Available Parts.** This may need better definition, as it could mean parts in stock, or in backorder, in transit, or even to be made to order at some remote facility.
- **Consumer Access.** We note that slides 6 and 19 are info pages and believe that consumers should be able to look up their own registration numbers on those pages.
- **National Written Off Register.** We understand that insurers are able to update this register, and that this data would be imported into the RMS. We are concerned about circumstances where a written-off vehicle is repaired and registered. If the input from the insurers wipes the VIN from the RMS, what sort of audit would pick this up? This is a particular concern when a written-off vehicle is rebuilt and sold-off to an unsuspecting consumer, who might hear of a recall affecting their car type and bring it in to one of our dealers for the work. The RMS would need to still include data that the specific VIN was on the National Written Off Register.

What would 'readiness' for the RVS legislation look like?

- **Definitions and processes effectively prevent the creation of a parallel imports path for road vehicles.** As recent discussions on access to the SEVs register indicate, the definition of what a 'variant' is or the manner of testing claims for 'performance' are complex and require a nuanced approach. Some of the important definitions still require further refinement to achieve the above state.
- **All jurisdictions are ready to access and use the RAV effectively to register new road vehicles.** It is our view that failure by one or more jurisdictions to be able to integrate the RVSA into their registration and inspection process would be catastrophic to our members. Consequently, we consider any claim of readiness should only be made after all jurisdictions have had their systems and processes certified and audited as being able to work effectively with the RVSA.

Advance notice requirements prior to the commencement of the RVS legislation.

We believe that six months' notice of commencement would be a suitable warning period. This period would not commence until all jurisdictions have certified their registration and inspection systems ready, and after they have been formally audited.

Thank you for the opportunity to comment on the draft documents and look forward to future Working Group meetings. We would be happy to meet with you or your staff to discuss or clarify our feedback.

Yours Sincerely



James Voortman
Chief Executive Officer
Australian Automotive Dealer Association