

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2005 No. 138**

Issued by the Authority of the Minister for Local Government, Territories and Roads

*Motor Vehicle Standards Act 1989*

*Motor Vehicle Standards Amendment Regulations 2005 (No. 2)*

The *Motor Vehicle Standards Act 1989* (the Act) provides for uniform national motor vehicle standards for new vehicles when they begin to be used in transport in Australia and regulates the first supply to the market of used imported vehicles.

Section 42 of the Act provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act. Section 24 of the Act provides for the prescription of certain fees, or a method of calculating fees, payable to the Commonwealth for specified activities performed by vehicle manufacturers and importers.

The purpose of the Regulations is to amend the *Motor Vehicle Standards Regulations 1989* (the Principal Regulations) to reduce the level of some fees payable to the Commonwealth by full volume vehicle manufacturers and importers.

The intention to reduce the fees from 1 July 2005 was announced on 10 May 2005 as part of the Budget measures.

Regulation 60 of the Principal Regulations states that there is payable to the Commonwealth, in respect of a matter specified in an item in Schedule 2, the fee specified in that item. Schedule 2 to the Principal Regulations specifies those matters for which a fee is payable. The fees are payable by road vehicle manufacturers and importers and are intended to cover the costs associated with the regulation of vehicle standards under the Act.

Amongst other matters, fees are payable by manufacturers who hold approval to place identification plates on new vehicles. The fees become payable at the time the identification plates are placed on the vehicles. The plates certify that the new vehicles have been manufactured to meet a minimum set of standards for safety, emissions and anti-theft that are set out in the Australian Design Rules for Motor Vehicles.

The automotive industry has shown recent strong growth which has provided an increase in fee recovery. The Regulations reduce by 20% the fee amounts payable by manufacturers for the placement of identification plates to new vehicles with the intention of bringing the fees in line with the cost of regulating vehicle standards.

The Regulations amend three items in Schedule 2. The new provisions decrease the fees relating to items 1, 2 and 6(a) of that Schedule which relate to the placement of identification plates on new road vehicles by vehicle manufacturers.

Details of the Regulations are set out in the Attachment.

The Act specifies no conditions that must be met before the power to make the proposed Regulations may be exercised.

The Regulations are a legislative instrument for the purpose of the *Legislative Instruments Act 2003*.

The Regulations commenced on 1 July 2005.

**Details of the *Motor Vehicle Standards Amendment Regulations 2005 (No. 2)***

**Regulation 1 – Name of Regulations**

This regulation provides that the title of the Regulations is the *Motor Vehicle Standards Amendment Regulations 2005 (No. 2)*.

**Regulation 2 – Commencement**

This regulation provides that the Regulations commence on 1 July 2005.

**Regulation 3 – Amendment of the *Motor Vehicle Standards Regulations 1989***

This regulation provides that the *Motor Vehicle Standards Regulations 1989* (the Principal Regulations) are amended as set out in Schedule 1.

**Schedule 1 – Amendments**

**Schedule 2 – Item 1**

The Fee (\$) '7.50' has been omitted and replaced with '6.00' to reduce the fee by 20%.

**Schedule 2 – Item 2**

The Fee (\$) '3.75' has been omitted and replaced with '3.00' to reduce the fee by 20%.

**Schedule 2 – Item 6(a)**

The Fee (\$) '28.10' has been omitted and replaced with '22.50' to reduce the fee by 20%.