

Press Release

Paul Fletcher MP

Federal Member for Bradfield Minister for Major Projects, Territories and Local Government

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

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.

1. 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".

2. 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. That can be imported by each Registered Automotive Workshop will be removed.

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

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.

3. 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