

## Submission 47: RVS Legislation Consultation

INTERNATIONAL LOGISTICS  
MARINE LOGISTICS  
AUTOMOTIVE LOGISTICS



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To: MVSA Review Team

RE: MVSA Review

My name is Daryl McIntyre and I run and own 3 companies which are all related to the import of vehicles into Australia. I currently employ 17 staff directly, and we have more than double that in subcontractors who depend directly on our business to survive.

- , DAZMAC Pty Ltd
- Autohub Australia Pty Ltd
- Marine & Auto Depot Pty Ltd

Between my businesses we lease 1 100sqm warehouse in Sydney, and 1582 sqm warehouse in Brisbane the costs are over \$25,000 per month. We also have a 4 car carrier and Tilt Tray valued at just under \$500,000 on finance to help facilitate the import process.

The used vehicle import industry is already very small and lacks the infrastructure in to have dedicate logistic services to handle the importation effectively and efficiently.

Reducing used vehicle volumes will affect more than just the RAWS. Currently we are offering offshore quarantine cleaning, this is possible through the volume from Japan as there is critical mass to justify the infrastructure required.

I have spent the past 8 years building this business to streamline importing used vehicles and accumulating the infrastructure required to offer a competitive and efficient service. I have purposely targeted the importers of specialist and enthusiast vehicles (SEVS)

The proposed legislation I see destroying the SEVS importers and the RAWS doing the compliance. The current volume see's most SEVS importers and RAWS struggling to earn a profit, which in turn see's the cost to the end user being higher. The current changes will see RAWS income drop by around a third and volume of work drop by 75% therefore making into impossible to continue their business and stopping imports all to together.

As a result, I will have to close all 3 of my businesses, break leases, sell trucks and let go of all my staff and subcontractors.

## Problem 1:

### Section 1 17 from the Rules

(1) The Secretary may enter a variant of a model of a road vehicle on the SEVs Register if: (a) the variant of the model of road vehicle: (i) 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 1989; or (ii) has been provided in Australia under an approval granted under this Act or the Motor Vehicle Standards Act 1989, other than an approval of a kind mentioned in subparagraph (i); or (iii) has been provided in Australia and subsection (3), (4) or (5) applies; Why this is a problem: with the current SEVS model, importers are still having to count chassis numbers on R32 Skylines so that the build dates are not overlapping with the locally sold R32 Skyline GT-Rs back in 1991, as though it would somehow still impact on Nissan's ability to sell them in Australia. It is time to modify this clause to state that vehicles can become eligible for import through SEVS (providing they meet the criteria) once they stop being sold new in Australia.

### Recommended change:

(i) is not currently provided in Australia, at any time, This would allow vehicles to be assessed against the SEVS criteria once they stop being sold new in Australia.

## Problem 2:

### Section 124 of the Rules

Variant of a model of a road vehicle (1) A model of a road vehicle (the first model) is a variant of another model of a road vehicle (the second model): (a) if: (i) the first model has a different body to the second model; or (ii) the first model as a different transmission to the second model; or (iii) the first model has a different drivetrain to the second model; or (iv) the first model has a different propulsion system to the second model; or (v) the first model is in another vehicle category to the second model; or (b) in other circumstances determined by the Minister under section 125. (2) However, a model of a road vehicle (the first model) is not a variant of another model of a road vehicle (the second model): (a) if: (i) the first model and second model have the same kind of engine, but the engine of one model has tuning or software changes; or (ii) the first model is only cosmetically different to the second model; or (b) in other circumstances determined by the Minister under section 125.

### Why this is a problem:

I believe these added clauses were recommended by an association opposed to the importation of any used vehicles. Targeting the definition of a variant is a simple way to restrict ALL the vehicles available for import. Under this definition, for example, variants we have long fought for (such as the Subaru Forester ST i) may no longer be considered a variant. The highlighted clauses would have the effect of cutting imported vehicle numbers substantially if left in place. Recommended change: these clauses need to be removed all together.

### Problem 3:

#### Cost Recovery Implementation Statement

Applications for entry of a road vehicle on the SEVs Register Applications must be accompanied by payment of the relevant application fee, which will be imposed at the time of application. Applications will not be considered until payment is received. The application fee will recover the pre-approval costs of assessing the applications. Once lodged, applications will be checked for completeness and additional information may be requested. Applications will then be assessed, and a decision made to grant or refuse approval. The proposed application fee for entry of a road vehicle on the SEVs Register is estimated to be between \$680 and \$800.

#### Why this is a problem:

when combined with two other changes — that each model variant must be applied for separately, and that applications must be re-submitted every two years — this is a HUGE financial burden on applicants. Currently, it is free to apply for SEVS eligibility. Not only will it prevent individuals from lodging their own applications, businesses will be reluctant to spend a substantial fee on an application with no guarantee of success, and one that, once deemed eligible, then grants every other workshop access for free.

Recommended change: reduce the application fee to \$50-100.

# DAZMAC

### Problem 4:

#### Power to Weight Ratio. (PWR)

The concept of vehicles getting more powerful each year as technology develops is inaccurate. As this trend has stopped, technology and demand is now for more fuel efficient rather than more powerful. Under the current scheme the PWR is set 105kw per ton. This was set in 2002 by the department.

Retrospectively changing the PWR to start in 1992 will create the end of any vehicle being imported through the PWR criteria as vehicles are no longer getting an increase in power. Clearly the government has already made the decision in 2002 that vehicles with PWR of 105kw is a SEVS vehicle.

#### Solution:

Maintain the current 105kw PWR vehicle models until 2002. Then apply the 1 kw per ton increase each year therefore after.

#### Conclusion:

In our view the proposed legislation is going to reduce the overall numbers of used vehicles imported into Australia. This will result in the majority RAWS closing, this will affectively cause my business to close as well.

Australia no longer has vehicle manufacturing industry therefore the used vehicle restrictions should be reduced, and volumes increased, this legislation does the opposite. It also goes against all of the advice from government sort reports

- Castilla 1 & 2
- Productivity commission
- The Harper Review



Daryl McIntyre

Productivity commission

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