

Submission 13 – MVSA Review 2014

Firstly I would like to say that this review is overdue and thoroughly welcomed. I am a car enthusiast and have previously imported two vehicles under the Personal Imports scheme. I would like to see the rules changes to allow the import of second hand vehicles from overseas (or at the least, right-hand drive vehicles that were originally sold in mass volume in Australia).

While I understand there are differences in safety standards for cars manufactured for different markets, for the most part vehicles originally sold to the European standard differ very little from our own safety standards. In other words, cars manufactured for European consumption compared to Australian consumption meet similar standards for occupant protection, the reduction of pedestrian injury, and so on. I believe it would not degrade Australian road safety and in fact potentially increase road safety in Australia by allowing vehicles to be imported from other markets.

[Why it is so desirable to purchase a vehicle from overseas?](#)

While I don't represent every vehicle enthusiast in Australia, I can put forward reasons which I believe apply to a large number of car enthusiasts who wish to have the ability to bring cars from overseas, which we are currently not able to do.

1) [Limitation of choice in the Australian market](#)

Compared to the markets of Europe, the Australian car market is very small and very remote. Manufacturers are careful what models to plan to supply into the Australian car market. I believe the reasons here are obvious, there is a limited demand and manufacturers are careful not to have excess supply to a right-hand drive market in a distant part of the world and end up facing losses as a result. Assuming this is the case, this is unlikely to change for a long time if at all, without Australia's population increasing considerably.

As a result, car manufacturers limit what model lineups are available in Australia. For example:

[Models that were sold in Australia, but not sold in the desired configuration of options:](#)

Cars made available for sale here may not have had the full range of combination of paint & interior colour, engine & gearbox, body styles or factory options. As an example, I recently purchased a 1995 Audi 'Cabriolet' and in doing so found out that the only configuration of this car originally sold in Australia was a front-wheel drive automatic, where this model was originally sold overseas either manual or automatic gearbox. This trend is continuous across all marques and all models, including modern vehicles, often it is the case that a particular body-style is only available with a certain engine/gearbox combination.

['Variants' – Limited edition versions of models originally sold in Australia in mass-volume:](#)

One of the cars I brought to Australia as a personal import is a 2005 Audi A4 'DTM Edition'. This is a fantastic car, and all Audi enthusiasts that have seen it have really liked the model. It is based on the standard A4 S-Line and celebrates Audi's 2004 win in the German DTM touring car championships. The car features unique body styling, wheels, paint and interior trim.

Only 250 of these cars were made in right-hand drive for sale in the UK market. There are more examples of 'one off' variants of cars like these that we do not get to see in Australia. This is a real shame, as for a car enthusiast special editions are of obviously of great interest.

Difficulty in finding a second hand vehicle matching the desired configuration

While the above points refer to vehicle options that were never available in Australia, sometimes you may know that a car was available in Australia, but the particular combination of the options you wish may make it difficult to find. For example, you may really have your mind set on a specific second-hand model painted red, with a manual gearbox, you may also wish to have the sunroof option and satellite navigation. Your selections may already narrow down your search onshore in Australia to a very small selection. You may then decide that you really want a car that came with the electric seat option, but the only example you can find doesn't have this option and is not in good condition in any case.

These are just examples, but to summarise, there is a very small market for second hand vehicles in Australia. We are limited in terms of choice and price, but even further, certain body style& engine/gearbox combinations are entirely unavailable, as well as variants (limited editons, etc) that are based of an existing model.

Our import laws do not make it possible for vehicle enthusiasts to enjoy our passion in owning the full selection of vehicles that are available from foreign manufacturers.

2) High cost of second hand vehicles in Australia compared to overseas markets.

Second hand European vehicles in Australia, compared to equivalent vehicles for sale in the U.K. market on a like for like basis in the 3-7 year old category, are considerably more expensive. Also at the same time, from personal experience I have found that for the same price, the UK counterpart is typically "optioned" more than the Australian example (Including features like heated mirrors/seats, electric seats, satellite navigation and so on) and/or has lower mileage.

New cars tend to be closer in price, but there is still a significant difference in high-end models that are near new. For example, late model Porsches, Audi R8's and similar.

I have provided examples of this, with a selection of vehicles advertised for sale on Autotrader.co.uk, and Carsales.com.au. Due to there being accident repair listings and also the chance there are bad listings on Autotrader.co.uk (scam listings or otherwise cars needing repairs), I have omitted the first handful of results to provide more realistic data on the cheapest 'normal' examples (Cars that you can expect to purchase and drive away with no problems to iron out).

Car Model	Autotrader.co.uk	Carsales.com.au
BMW 1 Series		
MY 2013 or newer	£13,399	\$33,990
MY 2011 or newer	~£5,350	~\$25,000
Audi A5		
Cheapest available (MY 2007/8 On)	£7,900	~\$29,000
Audi R8		
Cheapest available (MY 2008 On)	£39,975	~\$110,000-135,000

Import schemes – taking away our freedom of choice

Our current import laws do not provide a mechanism for everyday Australians living in Australia to have access to the reduced cost of European cars, and access to the various combination of options within each model, and the limited edition models that are available overseas.

Our current import laws for normal road-going vehicles (non-race) basically come down to the following options:

- i) Registered Automotive Workshop Scheme (R.A.W.S.) imports.
- ii) Pre-1989 vehicles.
- iii) Personal Imports.

1) Registered Automotive Workshop Scheme (R.A.W.S.)

The RAWS scheme is only designed for models that were not originally sold in Australia in mass-volume. Under this scheme, variants do not constitute a new model.

What this means is that for all models from all marques, if that model was originally sold in Australia in any configuration, then the model as a whole is not eligible under RAWS. RAWS basically is a scheme for people to purchase cars that are 'unknown' to Australian safety standards, and comply them accordingly.

This means that the RAWS scheme is not useful for anyone wishing to take advantage of the wider range of choice that is available overseas for models we have on our roads, either models with different options, limited edition variants that we never received in our market, or the cheaper prices that are available overseas.

2) Personal Imports

The Personal Import scheme is more flexible in the type of car that can be imported. However, it has its limitations in terms of having to live abroad and a limit of one car per person every 5 years. It is only designed for people to use this scheme rarely, when they are moving home from abroad.

3) Pre-1989 vehicles.

Obviously, the pre-1989 scheme is only valid for vehicles manufactured prior to 1989. This now only caters for vehicles 25 years and older, and does not provide a way for Australians to have access to the wider range of choices that are available for modern vehicles.

Summary

The import laws only allow a very limited selection of vehicles for import to Australia:

- i) Vehicles that were not originally sold in Australia in mass volume.
- ii) Vehicles that are older than 25 years.

This means that there is no way for Australians to see the benefits of the wider range of choices in overseas markets for modern vehicles that we see on our roads today. The only exception to this rule is the Personal Import scheme, but this is obviously not designed for purchasing vehicles when living in Australia.

[Comments on safety concerns regarding second hand imports from overseas](#)

Quoting from the media release statement by Hon Jamie Briggs MP regarding the importation of second hand vehicles:

“The Productivity Commission's proposal to reduce restrictions on second-hand imports is one of many ideas canvassed in the paper.

No decision has been taken by the Australian Government to reduce these restrictions and we have no intention to allow Australia to become the dumping ground for other countries' second-hand lemons.”

I believe the statement that Australia would become a dumping ground for other countries' second-hand lemons is completely incorrect.

Firstly, an imported car should always be required to satisfy roadworthy inspections on arrival.

Secondly, it is incorrect to uphold Australian vehicle safety standards by placing a restriction on cars to be imported. Not only can imported cars be unsafe, but cars already in Australia can be unsafe. It is essential to have a mechanism that makes cars already in Australia go through safety inspections periodically. Placing a restriction on car imports does not guarantee car safety onshore Australia. To guarantee safety of vehicles in Australia, all cars, imported or not, should pass initial and periodic safety inspections that are held to a high quality.

Placing a restriction on imports does not help guarantee road safety. I believe the best way to keep lemons off Australian roads is not to restrict imports, it is to maintain high levels of quality in our safety inspection processes.

[Comments on quality concerns regarding second hand imports from overseas](#)

It is possible that cars that were not originally sold in Australia would suffer from a lack of support from a Dealer for repairs and parts.

Vehicle owners that import a car through the RAWs process would no doubt be aware of these limitations. However, in this case I believe it is a case of “caveat emptor” and car enthusiasts should be responsible for their own actions, without our government restricting the ability to have free choice.

In the case of vehicles that were originally sold in Australia in mass volume, ie: Modern vehicles of European brands, there should already be a sufficient ability of dealer support for vehicles imported from overseas markets. In my experience with my Audi A4 DTM edition, while I have not been able to receive free updates under technical service bulletins, other than this, I have had the full ability of the dealer servicing and supply of spare parts and access to after market spares, as there are many Audi A4s already on our roads.

In general, bringing cars that were originally sold in mass volume in Australia should not pose a considerable risk to a potential importer. Any risk should be borne by the importer, and the government should make this decision for the population.

Recommendations on changes to our import laws

I would like to see our import laws changed to allow vehicles that were originally sold in Australia in mass-volume to be imported from overseas. These vehicles should already have type-approval for use in Australia. When a car is imported, it must still pass engineering to comply with local regulation (ie: speedometer must read in km/hr, etc)

I propose the following changes:

Changes to the Personal Import scheme:

For vehicles that were originally sold in Australia in mass-volume:

- Remove the requirement to own a car overseas for 12 months
- Remove the restriction of 1 car every 5 years.

These changes would allow Australians to benefit from the wider choices available overseas, not only in terms of what is available, but also in terms of price.

Each import would then be required to undergo a safety inspection / compliance engineering as normally happens for a vehicle imported under the Personal Import scheme.

Review of safety standards for Personal Imports

Currently when a vehicle comes to Australia there are a number of standard procedures that are done on imported vehicles, some of which I believe are pointless or having a negative impact on safety.

- i) Changing of seat-belts to ones that have ADR numbers listed

The practice of requiring seatbelts to be changed is pointless and dangerous. Vehicles that were sold to European markets should have this requirement relaxed, as providing hand-made replacements not meeting the quality of the original manufacturer equipment.

- ii) Installation of rear child seat anchor points

Most European cars already have the Isofix child restraint system installed from the factory. Where fitted, this should be accepted. I have seen hand-made solutions to install rear child seat anchor points coming loose, as these are hand-made and in no way match the quality of original equipment.

Summary

I believe our current vehicle import laws take away from the freedom of car enthusiasts in Australia. In my submission I am requesting that right-hand drive vehicles available in overseas markets that were originally sold in Australia by the manufacturer be made available under a simple scheme similar to the Personal Import scheme for import to Australia.

This would improve the access to modern high-quality vehicles for use on Australian roads. The safety concerns should be allayed by the fact these are European vehicles of high safety standards originally, already passed type approval when they were first sold in Australia. It should be a simple process to convert a right-hand drive car made for European consumption for use in Australia.

Not only would these cars be safe, by making high-quality European brands more available price-wise it would have the effect of reducing the high cost of good quality second hand cars in Australia. For the same dollar spent, a purchaser would be able to buy a better car. In real terms, this could have the effect of getting our younger drivers out of cars of lower quality standards and into higher quality cars with a full complement of safety features, such a curtain airbags, ABS, ESP, four wheel drive and so on.

Finally, the restriction to import second hand cars from overseas prevents car enthusiasts in Australia from being able to enjoy their passion. I am being totally honest when I say that I have felt like leaving Australia permanently to enjoy my passion for cars overseas. There is a huge market overseas of cars that are either significantly cheaper, or not available in Australia. When we are denied the ability to have access to these markets, it makes me feel like I have been stripped of a civil liberty to purchase whatever I would like to.

I thought Australia was the lucky country. When I think about car enthusiasts living in other countries like the UK or the USA, I don't feel like we are the lucky country at all. This is not North Korea.. where people are told what they can and cannot do. We are meant to be a free country. I am not trying to lower safety standards in Australia, far from it. I feel if done right, changes can bring about improvements in road safety, while allowing Australians more freedom of choice.. so let's change our draconian laws!

Regards,

Steven Oakes



my 2005 Audi 'DTM Edition' A4