

Delcott Engineering Pty Ltd.

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Submission to the 2014 Review of Motor Vehicle Standards Act 1989

Cottrell Toyota welcomes the opportunity to provide input to the Australian Government's *Motor Vehicles Standards Act (MVSA) review*.

Operating as a Toyota dealership, we employ eight people and sell an average of one hundred and ten vehicles per year. We also provide a very significant customer support post vehicle sale including the provision of parts and servicing.

Since our establishment in 1967 we have invested significantly in dealership infrastructure, training of our people and community initiatives, making our business a significant economic and social contributor to the region.

The consideration of the removal of used and parallel new vehicle import restrictions as part of the *Motor Vehicle Standards Act* review is of great concern to our business and that we strongly oppose.

In particular, whilst we have no direct responsibility towards such vehicles, many in the general public would see our business as the point of contact for vehicle support.

While the sales and after sales support responsibility must reside with the vehicle importer, a dealer's ability to offer after sales support would be enormously challenging, and comes with additional cost and delay to consumers including:

- Servicing – our technicians are not familiar with overseas vehicle offerings which can come with different specification. Diagnostic information and unique special tools needed to adequately service vehicles may not be readily available (plus Toyota Australia will not have any vehicle service history for overseas sourced models)
- Parts sourcing – Toyota Australia does not stock parts of overseas models which can be different from the models we presently make available. This will give rise to long lead times to source parts internationally from the market where the vehicle was intended to be sold and subsequently generates additional cost and delay to the customer (while vehicle is off-road).
- Recalls – If Toyota Australia initiates a vehicle recall, the ability for our business to support owners of privately imported vehicles is limited. The owner would need to rely on the entity that imported such vehicles or make their own arrangements (as their vehicle will not be shown on Toyota Australia's records).
- Technician training – The capability to service and repair these vehicles may not exist within the dealership, therefore compromising the customer experience.
- Capped price servicing – Toyota presently offers our customers capped price servicing such as 5 standard services for the Camry at \$130 each for the first four

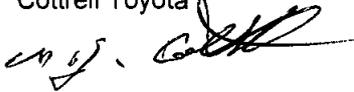
years or 75,000 km. Used cars and parallel imports do not have access to such offerings.

- Warranty – customers may expect our business to meet warranty claims on their imported vehicles despite the fact that we have no legal obligation to meet these claims.
- Owners manual – The printed owner's manual (if supplied) in these vehicles will most likely be in the language of vehicle origin, thereby not providing potential future owner's with important vehicle operational information in English.
- Fit for purpose vehicles – As these vehicles were not designed for Australian conditions the usual expectations of durability and reliability may be compromised resulting in a poor customer experience.

Not only will the ability to support used vehicles and parallel new vehicles be problematic, the increased levels of competition through opening up the market will place enormous pressure on our business and potentially put at risk jobs within the sector. We already operate in a highly competitive marketplace, with Australia regarded as one of the most competitive in the world for new vehicle sales. This results in excellent consumer choice, competitive prices and very high levels of customer focus both in terms of vehicles sales and after sales support.

We urge the Australian Government to consider the impacts of amending restrictions on used car imports or allowing parallel new imports, and the impacts this would have on established and well respected business's such as mine.

Yours sincerely,
Cottrell Toyota



Michael Cottrell
Dealer Principal