

Submission 8 – MVSA Review 2014

RE: Motor Vehicles Standards Act & Regulations 1989; prohibition on the importation of “Classic Cars”.

I am writing to you in the hope that you might be sympathetic to give consideration to the re-introduction of the 15 year rule in respect to the “one off” importation of classic cars. You would be cognizant of the current Legislation & Regulations which inter alia, allows for classic vehicles & the like to be brought in unencumbered provided they were manufactured prior to the 1st January 1989.

There is of course, some other areas of the Legislations such as Regulation 11 & 12 where some discretion (sic) is available and also SEVs etc however, they are nothing like the “freedom of choice” that would apply with the old 15 year rule. Taking the current year (2013/4), anything which by and large is 24 years or older (compounding) is for personal imports, without restriction. This I would suggest, is far too inequitable & burdensome, only serves the overseas manufactures in maintaining very high prices for their previous (now used cars) models that they exported to Australia.

To give a more detailed personal example, I submit the following:-

1. As a 70 year old, I wish to import from the U K as a “one-off” Bentley motor car manufactured prior to 1989. That range for me is obviously anywhere between 1989 to 1998. Price converted to Aus dollars is critical i.e \$13547 to \$19740 at current exchange rates. There is an aggregate of \$4000 Aus dollars for shipping to the front door.
2. Regulation 11 allows for an Application direct to the Minister and or his delegate (Reg 62) for special approval and it is axiomatic that I could make such an Application on the approved form. However, why should the Minister make a such a difficult decision to personally benefit me – despite my cardiovascular difficulties-after all, there are a lot of retired motor vehicle enthusiasts wishing to as a one-off, import European cars. They are an ever expanding voting bloc.
3. Regulation 12 (and this is the nub of the issue) allows for the one-off import for motor cars after 1989 providing the Manufacturer will issue a “Letter of Compliance”. They (the manufactures) will simply ignore your emails or say that the cars they built after 1989 were not built to the ADRs .The latter would suggest that they made a special low volume production solely for the Aus market. In the Australian “Bush” where I was raised & educated, this is politely referred to in plain speaking as bullshit.
4. So why do Manufactures like Bentley Motors U K go out of their way to be **obfuscatory when they clearly have an IPA** (Identification Plate Approval) and I refer to Approval number 31382. Even the many shipping agents that I have spoken to about a letter of compliance from some of the U K manufactures all say “good luck with that one”. One can only speculate that in some way, the üsery prices for their current model Bentleys exported will be affected as, will their snobbery.
5. Currently in Australia, a 1996/7 second hand Bentley is priced at an outrageous \$60,000. Even a 1988 model (which is on the unrestricted list) can easily be \$35000 plus whereas in the U K, a 1988 used model is less that \$13000 Aus dollars.

Submission for an amendment to the Act/Regulations.

Firstly, I am a country boy from Rainbow Victoria attending both primary & secondary schools. I am also tertiary educated with three majors in Australian politics, American politics & Economics. In short, a political scientist. Further, I have had extensive legal experience as well as long vehicle maintenance involvement. This is not enunciated as a matter of conceit but merely to confirm that I can understand the complexities involved in requesting the new Minister to even consider taking on such a challenge. Is not to the point that I believe that the D P M is more than

up to such a task from the speeches that I have read or the interviews by Mr Truss MP (as he was then).

Secondly, please do not dismiss my submission based on the former Labor Govts May 2013 inquiry which like the Govt itself “was all at sea”. This inquiry can you believe, by and large, concentrated on safety standards for imported vehicles. However, when it came to the 1989 threshold, it only has this to say; “

“For those submissions which supported the importation of older vehicles, many commented on the commencement date of 1989 for vehicles to be modified to meet the national standards for importation approval, **with older vehicles not being subject to this requirement.** They considered this was not allowing enough used vehicles to be imported to supply the enthusiast vehicle sector or other buyers. A common view was that the cut-off should be a moving date i.e. on a 10 or 15 year basis. A few of these submissions also queried why pre-1989 (this should mean 1990s) vehicles that had been modified to improve their safety could not be approved for importation.”

Thirdly, would the “relaxation” of the 1989 rule further damaged the Australian Motor manufacturing industry? I think not as whilst numbers would increase, classic cars are very expensive to run & maintain. They in affect, can be regarded as a hobby vehicle. Australian made cars are very well made, just look at the standard of panel joints with their very small but uniform gaps. Only a few years ago, Aus made cars had bonnets that fitted one side but left a huge gap on the opposite side .They are also much more fuel efficient except, that too few people use high grade fuel to reduce exhaust gases.

Classic vehicles are a little more complex and as such, would require an increase in trained mechanical engineers to service such stock. Hence, an area for multiplying the number of apprentice engineers which Australia must have in the Natio.nal interest.

It is of course ridiculous to argue that safety standards are the issue when the classic vehicles manufactured after 1989 all begin to have vastly improved safety features. Drivers’ air bag & improved seat belts to name but two. Pre 1989 vehicle had very little in the way of the now recognized safety (sic) yet, we are embolden to let them in without too much restraint

Fourthly, are there economic benefits other than the aforementioned increase in apprentice mechanical engineers? The number of service centres for these classic cars would undoubtedly increase with the “ricochet effect “of additional employment and the supply of spare parts. Some might think this is fanciful but, the reality of today is that all motor industry manufactures (includs’ Aus), have come a long way to producing cars that now have far less service commitments with most annually. A lay person has evidence of this with so few late model vehicles in the existing service centres. Years ago, you had to book well ahead to have you motor car serviced. Net effect, the loss of many skilled jobs.

Economics should not be “some dry” theory but, an active tool which always takes into account social benefits. (reducing any deficit is a social benefit) .Therefore, employment, **no** Government subsidies, increasing shipping & wharf handing employment, freedom of choice, Government revenue growth, zero damage to existing auto manufactures as cars of this ilk”are not made in Aus anyway. **No** abandonment of policy or philosophy in particular, as any increase for skilled employment offers :- **Security for our communities and their families, through the preservation of decent health, safety, social and economic welfare standards;**

Individual achievement e.g. setting additional service and spare parts centres, the importance of free choice and a fair go, reward for private enterprise and the need for equity investment and wealth generation.

Any alteration to the Regulations may well be a more simple task if any change is just Government Gazetted ?

It is axiomatic that this would be a very popular decision amongst the 250,000 plus enthusiasts for all makes of "Classic Vehicles". I also refer to the "P C R" 2014 Productivity Commission Report @page 17:-

"Other policies that affect the automotive manufacturing industry

In addition to direct budgetary assistance, there are other policies in place that have some influence on the automotive manufacturing industry.

- There are restrictions on the importation of second-hand vehicles through the *Motor Vehicle Standards Act 1989* (Cwlth). These restrictions arise from the requirements for obtaining a Vehicle Import Approval, without which no road vehicle may be imported into Australia. A gradual relaxation of these restrictions would be expected to yield benefits in the form of lower prices and/or improved features and greater choice for vehicle buyers, as long as regulatory measures were in place to provide appropriate levels of community safety, environmental performance and consumer protection. Any relaxation of import restrictions on second-hand vehicles should commence no earlier than 2018. As importers can claim exemption from the \$12 000 second-hand import duty once a Vehicle Import Approval is granted, this duty is essentially redundant and should be removed from the Customs Tariff as soon as practicable"

Further the P C R 5.4 said "RECOMMENDATION 5.4

The Australian Government should progressively relax the restrictions on the importation of second-hand passenger and light commercial vehicles. The new regulatory arrangements for imported second-hand vehicles should be developed in accordance with the outcomes of the Australian Government's current review of the Motor Vehicle Standards Act 1989 (Cwlth) and should:

- *not commence before 2018, and ensure that reasonable advance notice is given to affected individuals and businesses, such as vehicle leasing companies*
- *be preceded by a regulatory compliance framework that includes measures to provide appropriate levels of community safety, environmental performance and consumer protection*
- *initially be limited to vehicles manufactured no earlier than five years prior to the date of application for importation*
- *be limited to second-hand vehicles imported from countries that have vehicle design standards which are consistent with those recognised by Australia.*

The Australian Government should remove the \$12 000 specific duty on imported second-hand vehicles from the Customs Tariff as soon as practicable.

Regards,

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