

Changes to Motor Vehicle Standards Act from 2018

Members would be aware that on 10 February 2016 an announcement was made by the Federal Minister for Major Projects, Territories and Local Government, The Hon Paul Fletcher MP, regarding reforms of the Motor Vehicle Standards Act (the ACT). The reforms will amongst other things reduce current restrictions on the parallel importation of new cars and motorcycles.

Key changes affecting dealers include:

- Changes to the criteria that will allow consumers to personally import one new vehicle every 24 months from right-hand-drive markets (typically Japan, UK) providing they are no more than 12 months old and have an odometer reading of no more than 500 km. FCAI modelling reflects that this could amount to approximately 30,000 vehicles per annum (or 3% of the current market).
- Changes to the criteria that will allow for the personal importation of new motorcycles from the same markets and also imported from the USA and the EU.
- Changes to the Act that will result in the requirement for vehicles to be fitted with an identification or compliance plate no longer being necessary.
- Confusion as to how this will affect the commercial vehicle industry.
- Acceleration of the harmonisation of the Australian Design Rules with international standards.

Key issues facing dealers:

- Most vehicle warranties only apply in the country where the vehicle was purchased. This may cause concern for consumers who have sourced and purchased a vehicle from an overseas vendor. Consumer protections provided under the provisions of the Australian Consumer Law would be limited. Some consumers will not be aware of this and bear the frustration of having no support from local dealerships.
- Solutions surrounding notification of any factory recall or the treatment of that recall have not been determined.
- It is of great concern the impact on the second owner of the car and the warranty implications these vehicles may have upon the Used Car Market. Issues' addressing a cost free identification of these cars is to be determined.

VACC Executive Director, Mr Geoff Gwilym has met with members of the Federal Government to further highlight the implications of the reforms for the retail automotive sector.

The reforms are expected to become active in 2018. You can see a list of Frequently Asked Questions provided by the Australian Government by clicking here

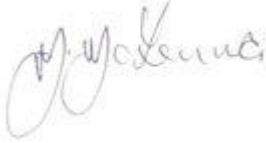
https://infrastructure.gov.au/vehicles/mv_standards_act/files/MVSA_Frequently_Asked_Questions.pdf

Next steps

You will soon receive a set of pro forma letters that we ask you forward to your local Federal Member of Parliament.

Please feel free to call me with any queries. VACC will continue to update members regarding this issue

Regards

A handwritten signature in grey ink, appearing to read "Michael McKenna".

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