

Media Release

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Wrong turn on potential for relaxation on second hand vehicle imports.

VACC Executive Director, Geoff Gwilym says the Competition Policy Review, delivered by Panel Chair, Professor Ian Harper, has failed to understand the negative impacts that are likely from relaxing regulations on the importation of second hand cars and light commercial vehicles from overseas.

These imports, often called Grey or Parallel imports, have the capacity to see an influx of used cars with limited information on repair and service procedures that will be required by a local mechanic or body repairer. More worrying is the degree to which spare parts will be available in a market that may be flooded with exotic cars that looked great on a car sales website but have limited capacity for repair at a local level.

“VACC is disappointed with the Panel’s recommendation to relax regulations on second hand imports. We opposed this notion when it was proposed by the Productivity Commission; it was not a good idea then and it is not a good idea now. It also challenges the Federal Government’s stance that it has ‘no intention of allowing Australia to become the dumping ground for other countries’ old second hand vehicles,’” Mr Gwilym said.

Mr Gwilym also doubts whether regulatory or enforcement regimes, as suggested by the Competition Policy Review Panel, would really have the capacity to identify whether a vehicle has been subject to any tampering or fraudulent activity, like manipulation of vehicle odometers prior to export. Even in Australia where the life of a vehicle can be tracked and traced through its registration, there are still incidences where private buyers find out that the vehicle they bought through a personal sale has been subject to unscrupulous tampering of odometers.

“I have no idea how an officer at customs will have the equipment or the capacity to confidently confirm the kilometres and history of cars coming from a multitude of countries,” Mr Gwilym said.

Repairs to vehicles are also a major concern given the different repair processes used across the world. Whilst Australia has extremely high repair standards that have to be met, this may not be the case in countries exporting vehicles. Body repairs are particularly concerning given the level of technology and equipment needed to repair complex vehicle structures, like bonded aluminium and high strength structural steels. In many countries the training of vehicle repair technicians is poor and this may also be reflected in the quality and integrity of a vehicles repair. Just because a car or light truck is only a few years old there is no guarantee it hasn’t been in a serious crash before,” said Mr Gwilym.

With a potential change in the import of second hand vehicles, there would likely be a proliferation of vehicle brokers who may target great looking vehicles for sale in Australia with little regard for the customer when it comes to serviceability and repair in the local market. VACC still has major reservations regarding the potential for a relaxation of the regulations in this area.

“The term ‘buyer beware’ won’t mean very much when the seller is a private individual in a far off region. The best advice is still to buy a vehicle from a licenced motor car dealer in Australia, they are licenced for a reason,” Mr Gwilym said.