AUSTRALIAN AUTOMOBILE ASSOCIATION

Review of the Motor Vehicle Standards Act 1989

Submission by the Australian Automobile Association

October 2014

NRMA MOTORING + SERVICES RACV RACQ RAA RAC RACT

Contents

Executive Summary

The Australian Automobile Association (AAA) is the peak organisation representing Australia's motoring clubs. The AAA's constituent clubs are the NRMA Motoring and Services, RACV, RACQ, RAC (WA), RAA (SA), RACT, AANT and the RACA. Combined, these clubs represent more than seven million Australian members, and advocate on behalf of all road users.

The AAA appreciates the opportunity to provide input into the 2014 Review of the *Motor Vehicle Standards Act 1989*. As the representative of a significant group of consumers, the AAA believes that Australian motorists need access to safe and affordable vehicles. Given that the membership base of the AAA's constituent clubs is comprised mostly of motorists driving passenger cars and light commercial vehicles, the comments in this submission will be focussed on these vehicles.

The areas of greatest interest to motorists regarding this review relate to the level of safety offered in new light vehicles and the affordability of such vehicles.

The Australian Automobile Association believes that:

- **Mandatory uniform national standards for motor vehicles supplied to the Australian market are essential in providing a minimum level of vehicle safety for consumers.**
  - The mandatory national vehicle standards should be aligned (harmonised) as closely as possible with international vehicle regulations of the United Nations.
  - Sufficient resourcing is required to support the ongoing maintenance, development and enforcement of mandatory national vehicle standards to ensure that they remain effective and efficient.
  - Any vehicles, new or used, meeting the vehicle standards in place at the time of importation should be permitted for sale in Australia.
- **Passenger vehicles are more expensive in Australia than key comparable markets of the UK and Japan.**
  - Regulatory reforms to improve the affordability of vehicles for Australian motorists should be pursued, provided the level of vehicle safety is not compromised.
  - The personal importation of new vehicles from Japan or the United Kingdom could offer affordability advantages to Australian consumers. Australia's vehicle standards show a high degree of similarity to the Japanese and UK markets that may provide a basis for reducing restrictions to allow personal importation of new vehicles from these markets.
  - Any scheme to allow increased numbers of used imported vehicles to be sold in Australia must require these vehicles to meet the mandatory national vehicle standards in place at the time of importation.
- **The Government should also remove customs duty and the luxury car tax to further improve affordability for consumers now there is no domestic vehicle manufacturing industry to protect.**

Safety - The Need for National Vehicle Standards

Each year, around 1,200 lives are lost and more than 30,000 people are seriously injured on Australia's roads with the annual cost of road trauma in Australia estimated at $27 billion per year. Motorists should have access to safe and affordable vehicles, which in turn creates significant community benefit, saving lives and reducing the cost of road trauma. The AAA firmly believes there is a need for the Australian Government to retain mandatory national vehicle standards.

Mandatory national vehicle standards for motor vehicles supplied to the Australian market are essential to ensure a minimum level of vehicle safety for consumers.

An absence of mandatory vehicle standards by the Australian Government would result either in vehicles with much reduced levels of safety being supplied to the market, or state and territory authorities introducing jurisdictional requirements. This creates the potential for states and territories to each specify differing vehicle standards requirements creating cross-border confusion regarding compliance and roadworthiness of vehicles and increased cost to manufacturers to meet the differing requirements, which is ultimately borne by the consumer.

Consumer education and information may assist in influencing consumer purchasing decisions to consider vehicle safety or environmental issues, but are not able to address the breadth of requirements for safety, emissions and anti-theft currently controlled by the *Motor Vehicle Standards Act*.

The Australasian New Car Assessment Program (ANCAP) has been successful in improving the level of safety in vehicles offered to the Australian market, and many manufacturers are now designing vehicles to achieve a 5-star ANCAP safety rating. Whilst some of the ANCAP requirements are more stringent than the equivalent mandatory national standards, ANCAP assesses a much narrower set of requirements than are covered under the Australian Design Rules (ADRs), and ANCAP has not assessed all vehicles offered to the market.

It would not be possible to rely solely on ANCAP to maintain a minimum level of safety for all vehicles supplied to the market.

To minimise the costs associated with regulatory burden of vehicle standards, which are ultimately borne by consumers, the AAA supports the alignment of Australia's national vehicle standards for light vehicles with those of the United Nations.

Alignment of Australia's vehicle standards with UN Regulations leverages the economies of scale of vehicle production across a range of markets, and avoids the costs associated with designing and manufacturing vehicles to meet unique Australian regulatory requirements. The introduction of new or amended vehicle standards should continue to be subject to regulatory impact assessment, including cost-benefit analysis.

Any vehicles, new or used, meeting the ADRs in place at the time of importation should be permitted for sale in the Australian market as the minimum levels of safety, emissions and anti-theft would be the same as any new vehicle currently eligible to be supplied to the market.

Safety - The Need... (continued)

The AAA notes that the Motor Vehicle Standards (Approval to Place Used Import Plates) Guidelines 2006 (No. 1) have not been updated since 2006. As a result, used imported vehicles have not been required to comply with any vehicle standards that have been introduced since 2006. For example, the London taxi has been imported in relatively large numbers, despite the fact that these vehicles are manufactured from 2006 onwards, and are not fitted with the proven safety technology of electronic stability control that would otherwise be required for many of these vehicles.

The AAA also understands that resource constraints have previously hampered the ability to undertake a large number of minor revisions to vehicle standards, resulting in some delays in such actions being completed.

It is important to provide sufficient resourcing to support the ongoing maintenance, development and enforcement of mandatory national vehicle standards to ensure that they remain effective and efficient.

The AAA considers that the regulation of child restraints, motorcycle helmets, pedal cycle helmets, vehicle jacks and axle stands currently controlled by the Australian Competition and Consumer Commission may be more appropriately dealt with by the *Motor Vehicle Standards Act*. It would seem logical to administer these vehicle-related regulations through the same process as other vehicle standards.

The processes for investigating alleged safety defects and the conduct of vehicle safety recalls should also be improved. Technical advice is provided by the Department of Infrastructure and Regional Development, but the recall powers are held by the Australian Competition and Consumer Commission. At present, there is little public visibility of issues that may be under investigation, and improved availability of information and transparency of processes would be of great value to motorists.
A more transparent and integrated system is required.

Affordability

The AAA supports regulatory reform to improve the affordability of vehicles for Australian consumers, provided levels of safety are not compromised.

The AAA has used comparisons of the price and specification of motor vehicles offered to the markets in Australia, Japan and the United Kingdom to compare the levels of affordability of vehicles in these markets. An assessment of the United Nations Regulations accepted by the mandatory vehicle standards in these countries has also been used to determine whether the minimum levels of safety required by the Motor Vehicle Standards Act are similar for vehicles from Japan or the United Kingdom.

Affordability of Vehicles: Australia, Japan and United Kingdom

Research undertaken exclusively for the AAA, indicates that many vehicles in Japan and the United Kingdom are more affordable than the equivalent model sold in Australia. The AAA compared 23 different vehicles, including some of Australia's most popular cars, across the United Kingdom (UK), Japanese, and Australian markets as shown in Table 1 (full table comparison is at Appendix 1). These markets were selected by the AAA, as they are all predominantly right-hand drive markets. Vehicles selected for comparison almost all originate from the same factory (per model), suggesting a degree of commonality of specification of these vehicles, which is reinforced by the comparison of vehicle standards applicable in the Australian, Japanese and United Kingdom markets.

The results of the affordability research found that the majority of vehicles in the Japanese market are cheaper to purchase than Australian vehicles, regardless of taxation arrangements.

Examples were not confined to the luxury models, for example the Mazda CX-5 Maxx Sport AWD was some 25.62% cheaper (including tax) in the Japanese market than in Australia. However, the luxury brands were significantly cheaper in Japan and the UK.

Comparing the new car markets in the United Kingdom, the luxury brands represented significant savings over models offered in Australia.

The BMW 3 series 328i was 20.19% cheaper (inclusive of tax) in the UK than Australia. Luxury models were often much cheaper in the UK than Australia, the Mercedes Benz C-Class C200 was 22.67% cheaper (exclusive of tax), representing a premium of $12,548.43 to the Australian consumer.

Affordability (continued)

Table 1: Comparison of Prices of New Vehicles in Australia, Japan and United Kingdom

Vehicle Model	AUS Tax inclusive	UK Tax inclusive	Japan Tax inclusive
Mitsubishi Mirage ES hatch 1.2 litre	$12,990.00	+57.14%	-15.43%
Toyota Yaris YR hatch 1.3 litre	$15,690.00	+27.92%	-3.28%
Mazda 3 2.0 Neo hatch	$20,490.00	+56.15%	+16.39%
Toyota Corolla Ascent Sport hatch (manual)	$21,290.00	+47.01%	+2.13%
Ford Focus 2.0 Trend hatch	$22,290.00	+34.79%	+41.50%
Volkswagen Golf 90 TSI Comfortline	$25,240.00	+44.92%	+16.05%
Mitsubishi ASX LS 2WD	$26,990.00	+3.13%	-8.75%
Subaru Forester 2.0i	$29,990.00	+52.60%	-25.00%
Toyota Camry Hybrid H	$35,490.00	Not sold in UK	-5.41%
Audi A3 Sportback 1.4 TFSI S tronic (92kW)	$35,600.00	+11.19%	-5.93%
Mercedes-Benz A180 1.6 litre	$35,600.00	+12.05%	-14.16%
Toyota 86 GTS	$36,490.00	+21.98%	-12.09%
Mazda CX-5 Maxx Sport AWD (UK diesel version reported (petrol version not sold in UK)	$36,620.00	+33.76%	-25.62%
Jeep Cherokee 3.2 (UK diesel version reported (petrol version not sold in UK)	$39,000.00	+40.56%	+17.75%
Range Rover Evoque eD4 Pure (Japan petrol version reported (diesel version not sold in Japan)	$49,995.00	+7.72%	-0.99%
Land Rover Freelander 2 TD4 SE (Japan petrol version reported (diesel version not sold in Japan)	$54,100.00	-2.00%	-20.69%
Audi A4 2.0 TFSI quattro S tronic Ambition	$59,900.00	-3.58%	-6.00%
Mercedes-Benz C-class C200	$60,900.00	-15.64%	-9.95%
Audi Q5 2.0 TDI quattro S tronic (130kW) (Japan petrol version reported (diesel version not sold in Japan)	$62,600.00	-1.18%	-0.36%
BMW 3 series 328i	$69,400.00	-20.19%	-6.36%
Mercedes-Benz A45 AMG	$74,900.00	-7.47%	-8.03%
Mercedes-Benz ML350 BlueTec Diesel	$101,430.00	-8.19%	-16.17%
Range Rover Sport SDV6 HSE (Japan petrol version reported (diesel version not sold in Japan)	$125,400.00	-10.15%	-22.47%

Source: JATO Dynamics Ltd.

Similar results were also seen when vehicles were compared excluding taxation (refer Appendix 1).

While not subject to the Terms of Reference of this review, the application of taxation arrangements such as the Luxury Car Tax (LCT) or customs duty (import tariffs) will be a key determinant in the viability of measures to improve affordability. Likewise, allowing the ability for consumers to purchase new vehicles at a cheaper rate internationally would potentially diminish the LCT and customs duty paid in some instances.

The AAA reiterates its opposition to the LCT and customs duty on imported vehicles, which is applied for no apparent policy rationale.

The LCT, from a standards perspective, is a tax on the most safe, environmental and technologically advanced vehicles in the fleet.

The vehicles selected for comparison do have some differences in specification. This is expected due to vehicle manufacturers tailoring different packages of specifications for different markets. Of particular concern to the AAA is that Australian vehicles had key safety features available as an 'option' for purchase whereas Japanese models often included this technology as 'standard'. For example, the Audi A3 in Japan offers a collision warning system as standard, whereas it is optional in Australia. The Mazda CX-5 Maxx Sport AWD doesn't offer collision warning system with automatic braking as standard in Australia, while in Japan it is standard on the equivalent model. Given the significant price differences (the Mazda CX-5 Maxx Sport is 25.62% cheaper in Japan than Australia), the AAA is concerned that Australian motorists either do not have access to significant safety technology, or if they do, it is made available as an expensive option compared with other markets.

Comparison of Vehicle Standards: Australia, Japan and United Kingdom

The AAA has undertaken an assessment of requirements for vehicle standards in Australia, Japan and the United Kingdom. The assessment considers whether each of these countries requires compliance with a United Nations regulation that is accepted to demonstrate compliance with an ADR.

A full summary of the assessment is attached at Appendix 2.

Our analysis shows that of the 47 ADRs applicable to passenger cars and light commercial vehicles, 29 of these are the same as required in Japan, and 36 are the same as required in the United Kingdom. Thus, vehicles from these markets can readily demonstrate compliance with more than 60% and 75% of Australia's vehicle standards, respectively. It is anticipated that further detailed investigation of the remaining requirements will reveal sufficient similarity that some of these would also be considered acceptable for demonstrating compliance.

Australia, Japan and the United Kingdom all have traffic that drives on the left hand side of the road, and the vast majority of vehicles in these markets are right-hand drive. This enhances the comparability between the vehicles in these markets [1].

On the basis of a reasonable correlation of vehicle safety levels between the Australian, Japanese and UK markets, vehicles from these markets were selected for investigation of affordability.

[1] The AAA has been unable to find strong objective evidence to quantify the potential risk associated with the use of left hand drive vehicles in traffic driving on the left side of the road. This issue may warrant further consideration, as the accessibility of left-hand drive cars to Australian consumers has the potential to allow access to a much larger pool of vehicles, with economies of scale and potential affordability benefits.

Affordability (continued)

Possible Actions to Improve Vehicle Affordability in Australia

Personal Importation of New Vehicles

Under current arrangements (Regulation 13, *Motor Vehicle Standards Regulations 1989*), migrants settling in Australia and expatriate Australian citizens returning permanently to Australia after a long period overseas may import their personal road vehicle, provided the vehicle has been owned and available for use overseas for a period of 12 months or longer. Companies and/or corporations are not eligible to import a vehicle under these arrangements.

The Options Discussion Paper for the Review of the *Motor Vehicle Standards Act 1989* suggests reducing restrictions to allow the personal importation of new vehicles by individuals without the need to own the vehicle overseas for a minimum period of time.

> Reducing the restrictions on the personal importation of new vehicles has the potential to provide Australian consumers with access to an alternative source of new vehicles with opportunities for increased competition and affordability.

The level of safety of such vehicles would need to be ensured via compliance with the ADRs, but the AAA's analysis indicates that vehicles from Japan or the United Kingdom would already comply with many of the ADRs for passenger cars and light commercial vehicles. Further, the AAA's affordability analysis indicates that there are likely to be affordability benefits for consumers buying vehicles from these markets.

The AAA considers that in reducing restrictions on the supply of new vehicles, the incumbent suppliers in the new car market would be under pressure to re-evaluate their prices in line with potential 'import parity' prices from similar markets. With no local manufacturing industry left to protect, consumers should benefit from a competitive global market for vehicles in the same way they have benefited from changes in supply arrangements of other consumer goods. It is assumed that consumption taxes would be reimbursed in either the Japanese or UK markets when purchased for export (in much the same process as they are for other consumer goods).

The AAA does not consider that importation of new vehicles from Japan or the United Kingdom would be economically viable in all cases. Shipping will need to be considered by the consumer—this could add approximately $2,500 to costs per vehicle—although in many instances, consumers would still be better off importing the vehicle given that Australian customers are charged Dealer Delivery fees. For example, the Dealer Delivery charge for the BMW 328i is $2,500, effectively negating the personal importation costs of a personal imported vehicle. Reducing the new car personal import restrictions would allow the market to develop innovative business models to satisfy the demand. We also noted that Dealer Delivery charges in Japan were often included into the final price of the vehicle as opposed to a separate additional charge—Australian dealers should justify these costs to the Australian consumers who, as shown, are already paying a significant premium for vehicles.

While concerns may be raised by vehicle manufacturers in terms of warranties and recalls, the AAA believes that brands should honour warranties and recalls for consumers and actively support consumers with service, repair and recall information regardless of how and where they purchased their vehicle. There should be no reason that consumers should have a detriment in terms of warranty or recalls if the vehicle is purchased new from the manufacturer. In the same way that other consumer goods have their warranty backed by their parent company, vehicle manufacturers should also honour the warranty of their vehicles regardless of where they are sold.

Used Imported Vehicles

Regulatory reforms that would increase the number of used imported vehicles that could be supplied to the Australian market would need to consider the safety and affordability of such vehicles.

A scheme for Specialist and Enthusiast Vehicles should be retained in a similar fashion to its current

form, permitting compliance with the ADRs in place at the time the vehicle was originally manufactured, noting that there is an ongoing need to update the evidence requirements for this scheme. The current arrangements for vehicles manufactured prior to 1989 should also continue.

> A separate scheme permitting greater volumes of used imported vehicles could be contemplated, provided that these used vehicles comply with the ADRs in place at the time of importation.

As each used vehicle will have been subjected to a different service life, the condition of each used vehicle will differ. It is not possible to use a type approval system to assess compliance of a sample of a used vehicle model and then assume that this is representative of all other used vehicles of the same model. To assure compliance with the ADRs, assessment would be required for each individual vehicle, noting that this is more resource intensive and costly than a type approval system. Concessions on the level of evidence required to demonstrate compliance for used imported vehicles would need to be considered, as it would be nonsensical to demand that each vehicle be subjected to destructive testing.

It is not clear whether increased availability of used imported vehicles would offer affordability benefits to consumers, although in New Zealand there is evidence to suggest that used imported vehicles are very attractive to consumers as used imports have claimed a significant proportion of the previous new vehicle market. In addition to the used vehicle purchase price in a foreign market, currency exchange rates and the costs of freight and compliance need to be considered.

Consumers would also need to be made aware that service and repair, warranty and recall for such used imported vehicles may not be supported by the vehicle brand's representative organisation in Australia. That said, the AAA believes that brands should honour warranties and recalls for consumers and actively support consumers with service, repair and recall information regardless of how and where they purchased their vehicle.

Conclusion

There is a compelling case for mandatory national vehicle standards to specify requirements for safety, emissions and anti-theft for motor vehicles supplied to the Australian market. This activity needs to be properly resourced to ensure it is effective and efficient. To minimise the costs associated with regulatory burden of vehicle standards, which are ultimately borne by consumers, the mandatory national vehicle standards should be aligned (harmonised) as closely as possible with international vehicle regulations of the United Nations.

Any vehicles, new or used, meeting the vehicle standards in place at the time of importation should be permitted for sale in Australia.

Australian motorists should have access to safe and affordable vehicles. The AAA's analysis shows a greater affordability of vehicles in the Japanese and United Kingdom markets compared with Australia, and a similarity between the vehicle standards requirements in these countries. This suggests that there are opportunities to improve the affordability of vehicles without compromising levels of safety.

Allowing the personal importation of new vehicles from Japan and the United Kingdom should be considered as a possible means to achieve increased affordability of new vehicles.

With the cessation of Australian vehicle manufacturing, customs duty and Luxury Car Tax will no longer be justifiable as a protection mechanism for the Australian vehicle manufacturing industry and should be abolished.

Appendix 1

Vehicle Price Comparison of Australian, UK and Japanese Markets

Vehicle Model	AUS Tax inclusive	UK Tax inclusive	Japan Tax inclusive	AUS Tax exclusive	UK Tax exclusive	Japan Tax exclusive
Audi A3 Sportback 1.4 TFSI S tronic (92kW)	$35,600.00	$39,584.55	$33,488.81	$32,363.64	$32,987.12	$31,008.16
		+11.19%	-5.93%		+1.93%	-4.19%
Audi A4 2.0 TFSI quattro S tronic Ambition	$59,900.00	$57,752.99	$56,303.07	$54,454.55	$48,127.48	$52,132.47
		-3.58%	-6.00%		-11.62%	-4.26%
Audi Q5 2.0 TDI quattro S tronic (130kW) (No diesel version in Japan petrol version added)	$62,600.00	$61,863.62	$62,372.92	$56,909.09	$51,553.02	$57,752.70
		-1.18%	-0.36%		-9.41%	+1.48%
BMW 3 series 328i	$69,400.00	$55,386.82	$64,989.23	$63,090.91	$46,155.68	$60,175.21
		-20.19%	-6.36%		-26.84%	-4.62%
Ford Focus 2.0 Trend hatch	$22,290.00	$30,045.66	$31,539.28	$20,263.64	$25,038.05	$29,203.04
		+34.79%	+41.50%		+23.56%	+44.12%
Jeep Cherokee 3.2 (No petrol version in UK diesel version added)	$39,000.00	$54,816.78	$45,922.89	$35,454.55	$45,680.65	$42,521.20
		+40.56%	+17.75%		+28.84%	+19.93%
Land Rover Freelander 2 TD4 SE (No diesel version in Japan petrol version added)	$54,100.00	$53,020.66	$42,907.54	$49,182.00	$44,183.87	$39,729.21
		-2.00%	-20.69%		-18.33%	-26.56%
Mazda 3 2.0 Neo hatch	$20,490.00	$31,994.26	$23,848.22	$18,627.27	$26,661.89	$22,081.69
		+56.15%	+16.39%		+43.13%	+18.54%
Mazda CX-5 Maxx Sport AWD (No petrol version in UK diesel version added)	$36,620.00	$48,984.26	$27,238.96	$33,290.91	$40,820.21	$25,221.26
		+33.76%	-25.62%		+22.62%	-24.24%
Mercedes-Benz A180 1.6 litre	$35,600.00	$39,890.76	$30,558.54	$32,363.64	$33,242.30	$28,294.95
		+12.05%	-14.16%		+2.71%	-12.57%
Mercedes-Benz A45 AMG	$74,900.00	$69,305.44	$68,882.30	$68,090.91	$57,754.53	$63,779.91
		-7.47%	-8.03%		-15.18%	-6.33%
Mercedes-Benz C-class C200	$60,900.00	$51,378.26	$54,837.93	$55,363.64	$42,815.21	$50,775.86
		-15.64%	-9.95%		-22.67%	-8.29%
Mercedes-Benz ML350 BlueTec Diesel	$101,430.00	$93,124.83	$85,030.19	$83,912.73	$77,604.03	$78,731.66
		-8.19%	-16.17%		-7.52%	-6.17%
Mitsubishi ASX LS 2WD	$26,990.00	$27,835.38	$24,628.09	$24,536.36	$23,196.16	$22,803.79
		+3.13%	-8.75%		-5.46%	-7.06%
Mitsubishi Mirage ES hatch 1.2 litre	$12,990.00	$20,412.12	$10,986.01	$11,809.09	$17,010.09	$10,172.23
		+57.14%	-15.43%		+44.04%	-13.86%
Range Rover Evoque eD4 Pure (No diesel version in Japan petrol version added)	$49,995.00	$53,855.77	$49,500.65	$45,450.00	$44,879.80	$45,833.94
		+7.72%	-0.99%		-1.25%	+0.84%
Range Rover Sport SDV6 HSE (No diesel version in Japan petrol version added)	$125,400.00	$112,666.57	$97,222.21	$100,674.97	$93,888.82	$90,020.57
		-10.15%	-22.47%		-6.74%	-10.58%
Subaru Forester 2.5i (2.0i selected as 2.5 AUS only)	$29,990.00	$45,764.42	$22,491.92	$27,263.64	$38,137.01	$20,825.86
		+52.60%	-25.00%		+39.88%	-23.61%
Toyota 86 GTS	$36,490.00	$44,511.35	$32,078.48	$33,172.73	$37,092.78	$29,702.30
		+21.98%	-12.09%		+11.82%	-10.46%

Vehicle Model	AUS Tax inclusive	UK Tax inclusive	Japan Tax inclusive	AUS Tax exclusive	UK Tax exclusive	Japan Tax exclusive
Toyota Camry Hybrid H (Not sold in UK)	$35,490.00	-	$33,568.35	$32,263.64	-	$31,081.81
			-5.41%			-3.66%
Toyota Corolla Ascent Sport hatch (manual)	$21,290.00	$31,297.94	$21,743.82	$19,354.55	$26,081.62	$20,133.16
		+47.01%	+2.13%		+34.76%	+4.02%
Toyota Yaris YR hatch 1.3 litre	$15,690.00	$20,070.24	$15,176.14	$14,263.64	$16,725.21	$14,051.98
		+27.92%	-3.28%		+17.26%	-1.48%
Volkswagen Golf 90 TSI Comfortline	$25,240.00	$36,578.13	$29,292.25	$22,945.45	$30,481.77	$27,122.45
		+44.92%	+16.05%		+32.84%	+18.20%

Notes:

All monetary values expressed in AUD Exchange rates used from XE.com 29/9/14
1 AUD = 0.538847 GBP
1 AUD = 95.554296 JPY

Source: JATO Dynamics Ltd.

	AUS Tax inclusive	UK Tax inclusive	Japan Tax inclusive
Taxation Assumptions	Base price plus 10% GST. Plus 33% Luxury car tax on all passenger cars over AUD 61,884*	Base price plus 20% VAT	Base price plus 8% Consumption Tax

*(LCT is only payable on the amount over AUD 61,884). LCT is not payable for vehicles that have a combined fuel consumption of 7.0 litres/100 km or less and priced below AUD 75,375. LCT is only payable on the amount over AUD 75,375 for vehicles with combined fuel consumption of 7.0 litres/100 km or less.

Appendix 2

Comparison of Vehicle Standards of Australia, Japan, United Kingdom

ADR	Title	UN Regulation accepted by ADR [2]	Japan requires UN Regulation? [3]	UK requires UN Regulation? [4]
1/00	Reversing Lamps	23	Yes	Yes
2/01	Side Door Latches and Hinges	11, GTR1	Yes	Yes
3/03	Seats and Seat Anchorages	17	Yes	Yes
4/05	Seatbelts	16	Yes	Yes
5/05	Anchorages for Seatbelts	14	Yes	Yes
6/00	Direction Indicators	6	Yes	Yes
8/01	Safety Glazing Material	43	Yes	Yes
	Steering Column	12	Yes	Yes
11/00	Internal Sun Visors	21		Yes
13/00	Installation of Lighting and Light-Signalling Devices on other than L-Group Vehicles	48	Yes	Yes
14/02	Rear Vision Mirrors	46		Yes
18/03	Instrumentation	39	Yes	Yes
21/00	Instrument Panel	21		Yes
22/00	Head Restraints	25, 17	Yes	Yes
23/02	Passenger Car Tyres	30	Yes	Yes
25/02	Anti Theft Lock	18, 116	Yes (116)	Yes
29/00	Side Door Strength	95	Yes	Yes
30/01	Smoke Emission Control for Diesel Vehicles	24		
31/02 & 31/03	Brake Systems for Passenger Cars	13H, 13, GTR8	Yes	Yes
34/02	Child Restraint Anchorages and Child Restraint Anchor Fittings	Partial only 14 (ISOFIX), 44 (integrated	Yes	Yes
35/04 & 35/05	Commercial Vehicle Brake Systems	13, 13H, GTR8	Yes	Yes
42/04	General Safety Requirements			
43/04	Vehicle Configuration and Dimensions			
44/02	Specific Purpose Vehicles			
45/01	Lighting and Light-Signalling Devices not covered by ECE Regulations			
46/00	Headlamps	1, 5, 8, 20, 31, 112, 113	Yes (112)	Yes (31, 112)
47/00	Retroreflectors	3	Yes	Yes
48/00	Devices for Illumination of Rear Registration Plates	4		Yes
49/00	Front and Rear Position (Side) Lamps, Stop Lamps and End-outline Marker Lamps	7	Yes	Yes
50/00	Front Fog Lamps	19	Yes	Yes
51/00	Filament Lamps	37		Yes
52/00	Rear Fog Lamps	38	Yes	Yes

ADR	Title	UN Regulation accepted by ADR [2]	Japan requires UN Regulation? [3]	UK requires UN Regulation? [4]
60/00	Centre High Mounted Stop Lamp	7	Yes	Yes
61/02	Vehicle Markings			
62/02	Mechanical Connections Between Vehicles	55		Yes
69/00	Full Frontal Impact Occupant Protection	94	Yes	Yes
72/00	Dynamic Side Impact Occupant Protection	95	Yes	Yes
73/00	Offset Frontal Impact Occupant Protection	94	Yes	Yes
74/00	Side Marker Lamps	91	Yes	Yes
75/00	Headlamp Cleaners	45	Yes	
76/00	Daytime Running Lamps	87	PROHIBITED IN JAPAN	Yes
77/00	Gas Discharge Headlamps	98	Yes	Yes
78/00	Gas Discharge Light Sources	99		Yes
79/03 & 79/04	Emission Control for Light Vehicles	83		
81/02	Fuel Consumption Labelling for Light Vehicles	101 (test method); label is unique		
82/00	Engine Immobilisers	97, 116	Yes (116)	Yes
83/00	External Noise	51		

[2] http://www.infrastructure.gov.au/roads/motor/design/adr_online.aspx accessed 09 October 2014.

[3] *Relationship between Japanese Safety Regulations for Road Vehicles and UN Regulations* (As of July 2014), The Japan Automobile Standards Internationalization Center (JASIC).

[4] VCA Information Notice on European and National Type Approval Legislation (Issue Date July 2014), www.dft.gov.uk/vca.

There are 47 Australian Design Rules (ADRs) applicable to passenger cars and light commercial vehicles.

Of these 47 ADRs, 42 accept a United Nations Regulation as an alternative standard to demonstrate compliance.

Mandatory national vehicle standards in Japan are partially aligned with United Nations Regulations. Japan specifies requirements for United Nations Regulations that cover 29 of the 47 ADRs (62 per cent) for new passenger cars in Australia.

Mandatory national vehicle standards in the United Kingdom are based almost entirely on United Nations Regulations. The UK specifies requirements for United Nations Regulations that cover 36 of the 47 ADRs (77 per cent) for new passenger cars in Australia.

90th ANNIVERSARY

AUSTRALIAN AUTOMOBILE ASSOCIATION ABN 25008 526 369
GPO Box 1555 | 103 Northbourne Ave | Canberra ACT 2601
Ph: (02) 6247 7311 | Fax: (02) 6257 5320
Email: aaa@aaa.asn.au | Web: www.aaa.asn.au

Printed and Authorised by A. McKellar, Australian Automobile Association, 103 Northbourne Ave Canberra ACT 2601.