

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

SUBMISSION RE: MOTOR VEHICLE STANDARDS BILL 2018

Dear Sirs,

My Credentials

I am a licensed participant in the REGISTERED AUTOMOTIVE WORKSHOP SCHEME (RAWS) and have been since 2008.

My trading name under that scheme is KARADAY PTY LTD and my RAW I.D. is 10458.

I am a Queensland Licensed Motor Dealer and have been for 45 years.

I grew up in the Motor Industry.

My Father was one of the original Holden Dealers in 1948.

Life Membership of the Motor Trades Association was bestowed upon him in the 1950's.

My Father imported quite a number of vehicles from overseas mainly the USA and UK.

They were both new and used vehicles.

He had a specifically designated conversion shop.

Reading of Bill in Parliament

I have perused the Ministers second reading speech on the Bill and am convinced the Minister is ill informed on quite a number of grounds.

The main one is on the issue of Safety.

Vehicles of the last 20 years or so have been built to an International Standard which our Australian Design Rules (ADR) are aligned with those Standards.

In current times our ADR's are very closely aligned with International Standards and in 99.9% of circumstances are considered to be equivalent.

Discussion

The direction the proposed new Bill and related regulations are taking, is purely one aimed to keep Australian Used Car Market Prices up thus stopping the buying public from having access to keener priced, later model vehicles and a lot more variety.

It's time we join in the International Market instead of being restricted and held back from enjoying the freedom of choice and purchase that other Nations Consumers now enjoy.

Full Access to International Used Car Markets is needed to keep prices down.

Not allowing this will tempt Australian retailers to significantly mark-up prices compared with what those prices should be in an open market.

Safety

As a RAW we have rules we are to follow.

The major Document we use to do this is:-

The Motor Vehicle Standards (Approval to Place Used Import Plates) Guidelines 2006 – a document that we use to identify if an imported vehicle complies with our Australian Design Rules.

This Document identifies all of our current Australian Design Rules and gives, we RAWS, ways of determining if the vehicle in question, is compliant with those rules.

In near every case it is by way of the vehicle being compliant to an International Standard thus in turn making it compliant to our Australian Design Rules.

So much for the RAW not policing Safety Issues.

For example – ADR 69/00 FULL FRONTAL IMPACT OCCUPANT PROTECTION – the most prominent of all safety related ADR's. This ADR became effective in Australia in January 1998. Its equivalent in Europe is European Standard ECE 94/01, which Australia recognise as equivalent to ADR 69/00, was in effect in Europe for over 2 and a half years prior ADR 69/00 becoming mandatory in Australia.

The issue of Safety is purely a scare tactic, devised by people and/or companies who have their own interest at heart, wrongfully put up in a generalised sense and used as an excuse to have introduced new, more restricting Legislation.

Parts and Service

In regard to Parts and Service, Parts have never been a problem.

If they can't be sourced locally, which is rare, International Freight Couriers can have them to your Australian door in a few days and at a substantially lower price than what the Retailers/Dealers for the Make have the same parts on their shelves at.

Service wise most cars are not rocket science, which the Franchise holder wants you to believe, so he can justify his costing to you.

Most mechanical workshops these days have plug in scan tools that can identify a fault in a vehicle instantly and rectify that fault in a fraction of the time taken back some years ago.

This monopoly enjoyed by the Retailers of new cars in Australia needs to be culled down to allow other players in the market to keep prices on a level playing ground.

Vehicles 25 years old and older.

The 25 year old rule in the Bill is moded as a rolling timeframe, which in the not too distant future, will put a fair number of RAWS out of business as the later models of the vehicles on their schedule of vehicles they have approval to place plates on will catch up in time to the ones that Full Volume was applied to. From that point they have nowhere to go but close down.

Luxury Car Tax

Brought in to protect our local market and its limitation based on the cost of a Holden Statesman / Ford Fairlane.

This protection is no longer needed.

Positive items in the Bill

The only positive for the consumer I can see in the Bill is the necessity to change the Catalytic Converters and fit new tyres has been dispensed with.

Summary

In a Report commissioned the Commonwealth and tabled in July 2014, Castalia Strategic Advisors were initially engaged to assess the costs and benefits of deregulating the trade in used car imports to facilitate importation into Australia.

That analysis found that a sizeable trade from Japan to Australia could emerge if deregulation was pursued and regulation was not too onerous.

But while deregulation would have overall net benefits, it also has significant safety and environmental costs (which I have dispelled earlier by the fact that Government controls in RAWS prevent this from happening)

An earlier Productivity Commission report stated that deregulating imports of vehicles would lead to lower vehicle prices and greater vehicle variety for the consumer.

The Government at that stage was considering relaxing restrictions on imports.

A later Castalia's Report of March 2015 has only been made public in more recent times.

I believe there has to be some controlling restrictions in a freer market but not the nonsense of treating importers as school children as this Bill sets out to do.

Regards

Glyn Pearce

Director

Karaday Pty Ltd – RAW ID: 10458