

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates 2016 - 2017

Infrastructure and Regional Development

Question no.: 26

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Motor Vehicle Standards Act

Proof Hansard Page: 118 (05 May 2016)

Senator Sterle, Glenn asked:

Senator STERLE: I will be quick. I want to talk about the Motor Vehicle Standards Act review and the economic modelling. Did the department or the modeller consider the impact on individual dealerships or brands?

Mr M James: I cannot answer that at the moment. I do not know. I would have to check.

Senator STERLE: Because you do not know?

Mr M James: Yes, because I do not know.

Senator STERLE: Not because you do not want to?

Mr M James: Not because I do not want to.

Senator STERLE: All right. That is fine. How long before you can get the nod on that.

Mr Mrdak: We will try to find that very quickly for you. I think there was modelling done of the likelihood of personal imports, but I do not think it was comprehensive economic modelling on impact to dealerships. There were estimates made of the likelihood of the numbers and volumes involved. I think there was an estimate of an upper volume of around 30,000 vehicles that would be likely to access personal imports.

Answer:

A response to the question was provided on page 119 of Hansard:

Ms Wieland: Minister Fletcher, in announcing the reforms in February, put out an economic fact sheet about the implications of the reforms for the sector more broadly. The modelling that relates to the dealership impacts is largely minimal, and that has been reaffirmed by a release put out by the largest franchised dealers network in Australia to the stock exchange. That said that they expect the impacts on dealerships to be minimal.

Senator STERLE: The impact will be minimal? Okay.

Senator XENOPHON: And there has been no modelling done? The fact sheet has not been fact checked, has it?

Ms Wieland: The impacts are very dependent on a couple of consumer impacts, one of which is exchange rates and, therefore, whether it makes financial sense for the individual to purchase that vehicle.

Senator STERLE: Did the modelling consider any impact on taxation?

Ms Wieland: We looked at the impacts on taxation but, if what you are asking is whether there any difference in the taxation arrangements in relation to the reforms, the government announced the removal of the \$12,000 import duty on used vehicles. That has a negligible impact because, in reality, it is rarely imposed. It is only imposed in the context where you do not have an approval from the vehicle regulator to import that vehicle and, in practice, consumers get that approval from our department from our vehicle regulator.

Senator STERLE: What about taxation collection through the chain?

Ms Wieland: As in luxury car tax et cetera?

Senator STERLE: Yes.

Ms Wieland: There is minimal impact on those because those duties et cetera will be imposed, as they are now, for vehicles that are imported into Australia.