



Personal imports: think twice

The Australian Government's decision to allow Australian consumers to personally import new cars into the country will mean that consumers will not have the same protection they have now when buying a car from an established dealer.

Consumer risk

Currently, consumers are offered the highest possible level of consumer protection when it comes to purchasing a new motor vehicle through a dealership. Brands selling in Australia make substantial investments in Australia by way of dealerships, workshops, technology and training to support and service their products. This means consumers can be certain their vehicles can be serviced and repaired appropriately, and that recalls are captured so consumers are informed if something needs to be fixed.

If the personal import brought into Australia was made specifically for another country or is a model which is not present in the Australian market, a consumer who imports directly from an overseas supplier may have difficulty in obtaining appropriate spare parts and specialised servicing.

In addition, as the vehicle is not registered through the brand in Australia, the brand will not know of, or be able to notify an owner of a recall.

Australians who personally import a vehicle made for another country may end up with a vehicle that does not meet their needs or operate as required in the Australian driving conditions.

In addition, it is important to note that motor vehicle brands selling in Australia manage the complex logistical process to get a consumer a vehicle from the factory to their drive-way. This includes managing the entire border control process, which includes everything from getting the car off the ship, through quarantine and to the consumer safely.

Built for Australian conditions

Buying a car from a motor car dealer means a consumer has peace of mind.

When buying a new car from a dealer in Australia, Australian consumers can be assured that the car is made for Australian conditions and safety specifications, and it will cope with the Australian climate, lifestyle and roads. This includes having the appropriate engine and transmission cooling systems to cope with Australia's hot climate, towing requirements and fuel quality. It also includes having convenience items such as sat-nav, air-conditioning and infotainment systems specifically calibrated for Australia.

It is important to know that cars made in the same factory may look identical on the outside but will have very different specifications under the bonnet depending on the country they are being made to operate in.

Car affordability

There has been plenty of misinformation about the cost of new cars in Australia, with some commentators arguing for an open slather approach to the import of new and used cars as a way of supposedly lowering prices.

Analysis by the Federal Chamber of Automotive Industries has confirmed that Australia has one of the most competitive right-hand drive markets in the world and this is reflected in the price of new cars in this country.

When we compare cars with the same level of specification, we find that the majority of cars made for Australian conditions are competitively priced in Australia compared to Japan, the UK or New Zealand. Details on this research are available on the FCAI website, www.fc.ai.com.au

Figures compiled by CommSec have confirmed car affordability in Australia is at its best level ever. According to CommSec, someone earning the average wage has to work for only around 24 weeks to be able to purchase a new Ford Falcon auto sedan, compared to 30 weeks in 2010.

Think twice

The changes being considered by the Government would transfer the risk of buying a car from dealers to consumers, many of whom would not have access to all the necessary information needed to compare car specifications, safety regulations and price.

It is important to realise that a personally imported vehicle would be outside the established brand network and all of the peace of mind that it delivers—servicing, support, recall and warranty assistance.

Before considering personally importing a vehicle, consumers should ask themselves how they can be sure of the vehicle history? What red tape will they need to go through to personally import a vehicle from overseas? Can they be sure the vehicle they are buying will operate effectively on Australian roads, in the Australian climate and with Australian fuel? Can they get the vehicle serviced and will it be off the road for a significant period if it requires repair work? Will they be able to get insurance for the vehicle? Is the re-sale value affected? Without being sure about the history of the vehicle, how can they ensure its safety rating?

Importantly, don't just take this Government decision on face value. Do your research.

For more information

Visit the Motor Vehicle Standards Act Review page of the FCAI website, www.fc.ai.com.au, email info@fc.ai.com.au, or call 02 6247 3811.