

Friday 29 May 2015

The Assistant Minister for Infrastructure and Regional Development,  
The Hon Jamie Briggs MP  
Department of Infrastructure and Regional Development  
Email: [MVSAreview@infrastructure.gov.au](mailto:MVSAreview@infrastructure.gov.au)

Dear Assistant Minister,

**RE: Motor Vehicle Standards Review – Safer Roads and Better Cars**

I write regarding the invitation to provide further comment on the Federal Government's proposal to reform the *Motor Vehicle Standards Act 1989* (the Act). CHOICE supports the proposal to deregulate the new car market, but strongly encourages the Government to reconsider proposals for increasing competition in the market for second-hand cars by lifting import restrictions. Provided adequate consideration is given to safety concerns, the same compelling reasons for deregulating the new car market apply to the second-hand car market.

We reiterate comments made in our earlier submission, namely that this review provides a valuable opportunity to improve the competitiveness in the second-hand vehicle market through relaxing car import restrictions, as long as consumer protection and safety are considered in any changes.

Since making our initial submission, the Final Report of the Competition Policy Review was released.<sup>1</sup> The Review Panel recommended relaxing remaining restrictions on parallel imports, including those for second-hand vehicles. The Review Panel suggested that removing restrictions should be preceded by the introduction of a regulatory compliance framework that includes measures to ensure appropriate levels of community safety, environmental performance and consumer protection.<sup>2</sup>

As stated in our initial submission, CHOICE believes that it is vital that consumers have

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<sup>1</sup> Harper et al, March 2015, 'Competition Policy Review – Final Report'.

<sup>2</sup> This recommendation was proposed by the Productivity Commission, 2014, 'Australia's Automotive Manufacturing Industry - Inquiry Report'.

confidence in the safety of the vehicles on Australian roads. Removing barriers to importation must be accompanied by stringent safety requirements. This is achievable and does not constitute a reason to keep barriers that impede the development of a more competitive market.

Imports could, for example, be limited to second-hand vehicles that are less than five years old and come from countries that have vehicle design standards consistent with Australian standards. In this way, we will ensure that we strike the balance between appropriate safety standards for our vehicle fleet, and competitive markets that deliver real savings to consumers.

For further information please contact CHOICE at [sagar@choice.com.au](mailto:sagar@choice.com.au).

Yours sincerely,

Sarah Agar,

Policy and Campaigns Advisor