



Guide to the importation of privately owned motor vehicles or motorcycles

This document outlines the different valuation procedures that apply to privately imported motor vehicles and motorcycles. The procedures that will apply will depend on when the vehicle was purchased.

Callers within Australia may obtain further information on matters in this guide by dialling the Customs Information and Support Centre on **1300 363 263** for the cost of a local call.

Before you can *gain clearance* of your motor vehicle or motorcycle through the Australian Customs Service (Customs), you will need to:

- (1) Obtain a **“VEHICLE IMPORT APPROVAL”** from the Vehicle Safety Standards Branch of the Department of Transport and Regional Services (see the notice below);
- (2) Pay customs duty, goods and services tax (GST) and, where applicable, Luxury Car Tax, and obtain a customs clearance at the port of entry; and
- (3) Obtain quarantine clearance from the Australian Quarantine and Inspection Service after the vehicle has arrived at the port of entry.

IMPORTANT NOTICE CONCERNING **“VEHICLE IMPORT APPROVAL”**

- To gain clearance of your motor vehicle/motorcycle at the port of entry, you will need a **“VEHICLE IMPORT APPROVAL”** which will be issued by the Vehicle Safety Standards Branch (VSSB) of the Department of Transport and Regional Services.
- There are a number of schemes under which a **“VEHICLE IMPORT APPROVAL”** may be granted. Each scheme has its own specific requirements. You should find out whether you can meet those requirements before committing to any action.
- Please address all enquiries concerning the **“VEHICLE IMPORT APPROVAL”** to the VSSB at the address shown at the back of this guide.
- The VSS Branch indicates that you should allow at least seventeen (17) days for processing of applications and you should not ship your vehicle until you have received your approval.

The **Australian Quarantine and Inspection Service** inspects all vehicles on arrival and requires them to be properly cleaned. This is usually affected by steam cleaning. You should remove all soil and any other matter from your vehicle (including the underside) prior to its exportation to Australia.

You should ask your **shipping company** any questions about **freight costs, location of the vehicle for clearance, etc.**

You should ask the **state registration authority in the State in which the vehicle is to be registered** any questions about **registration of the vehicle.**

In order to clear your motor vehicle or motorcycle through Customs, a formal clearance is required. This will involve lodging an approved form entitled an **“Entry for Home Consumption”** (in triplicate) with Customs. At the time of lodgement, you will also need to provide any documents to substantiate the details that you have included on the Entry for Home Consumption, e.g. Bill of Lading and invoices.

Customs imposes a cost recovery fee for the processing of import entries. The amount of this fee depends on whether the entry is lodged electronically or is a documentary (manual) entry and the number of entry lines.

You may, if you wish, seek advice from a **customs broker** about the importation and Customs clearance of your vehicle. While this is not a requirement, many importers do so because of the information requirements of Customs and the possibility of penalties being imposed for the supplying of incorrect or misleading information. You will find a listing in the yellow pages of the local telephone directory under Customs Brokers/Agents.

To enable Customs to determine the value of your vehicle, you must present your passport, all purchase documents, bills of sale, registration papers, service records and shipping Bill of Lading together with any other documents that may assist Customs in determining the **customs value**.

DETERMINING THE CUSTOMS VALUE

The customs duty payable is based on the **customs value**.

For Vehicles Purchased Before 2 March 1998

Customs value is normally calculated in the following manner:

- First, take your **purchase price** in the foreign currency and add to that the cost of any modification or improvement work done on the vehicle. **Do not** add the cost of routine maintenance or repairs for normal wear and tear.
- Next, from the above figure, deduct depreciation which will be calculated in the following way:
 - **Depreciation** is calculated on the basis of 5% for the **first completed calendar month of ownership and use** and 1% for each completed calendar month of ownership and use thereafter up to a maximum of 76% (i.e. six years ownership).
 - **Ownership and use** is determined by documentation in the importer's name (purchase documents, bills of sale, registration papers, service records, etc.) and extends from the date of purchase or delivery (whichever is the later) until the date the owner or the vehicle left the foreign country (whichever is the earlier).
- Next, the **purchase price is converted to Australian dollars** using the official rate of exchange on **the date of export** of the vehicle from the place of export.
- The figure that has been obtained is called the **customs value**.

*The above formula for calculating the **customs value** is not normally used where:*

- the purchaser cannot present to Customs at the port of importation satisfactory purchase documentation such as invoices, receipts, etc. which verify the full purchase price of the vehicle;
- the vehicle has been purchased overseas at only a token or nominal price;
- between the date of purchase of the vehicle and its subsequent importation into Australia its value has altered **considerably** due to the following occurring:
 - the addition of significant accessories, fittings or options, major restoration, modifications or any improvements (excluding any necessary repairs of a minor nature and routine maintenance); or
 - significant damage (not normal wear and tear) has occurred;

- sufficient and reliable information (Section 160 of the *Customs Act 1901*) is not available to a Collector of Customs.

Where any of the above situations have occurred, the **Alternate Method of determining the customs value** will be considered.

***Alternate Method of determining the customs value**

The **customs value** will be determined as **40% of the current Australian market value of the vehicle**. Normally, Customs will use a recognised dealer's guide to determine market value. Where the value is not shown for a particular vehicle or this method is considered unsatisfactory, the importer will be responsible for obtaining a *bona fide* market value from a recognised expert in the motor vehicle industry.

For Vehicles Purchased on or after 2 March 1998

Customs value is calculated in the following manner:

- First, take your **purchase price** in the foreign currency and add to that the cost of any modification or improvement work done on the vehicle. **Do not** add the cost of routine maintenance or repairs for normal wear and tear.
- Next, the **purchase price is converted to Australian dollars** using the official rate of exchange on **the date of export** of the vehicle from the place of export.
- The figure that has been obtained is called the **customs value**.

The above formula for calculating the customs value is not normally used where:

- the importer cannot demonstrate that the sale under consideration took place with the purpose of exporting the motor vehicle or motorcycle to Australia;
- the purchaser cannot present to Customs at the port of importation satisfactory purchase documentation such as invoices, receipts, etc. which verify the full purchase price of the vehicle;
- the vehicle has been purchased overseas at only a token or nominal price;
- between the date of purchase of the vehicle and its subsequent importation into Australia its value has altered **considerably** due to the following occurring:
 - the addition of significant accessories, fittings or options, major restoration, modifications or any improvements (excluding any necessary repairs of a minor nature and routine maintenance); or
 - significant damage (not normal wear and tear) has occurred;
- sufficient and reliable information (Section 160 of the *Customs Act 1901*) is not available to a Collector of Customs.

Where any of the above situations have occurred, the **Alternate Methods of determining the customs value** will be considered.

***Alternate Methods of determining the customs value**

There are several alternate methods to determine the customs value of privately owned motor vehicles or motorcycles. However, to utilise these methods Customs needs to be in possession of relevant information including details concerning sales of equivalent vehicles, which have occurred "about the same time" as the vehicle to be valued. It is highly unlikely that the information necessary

to utilise these valuation methods would be available to Customs and the application of these methods would therefore not be practical.

The Fall-Back Deductive method is the most appropriate method for establishing the customs value of privately imported motor vehicles and motorcycles when it is unable to be determined using the previous methods. This method is based on the cost of the motor vehicle or motorcycle at the Australian wharf (i.e. the "landed cost"). The cost may be established by referring to an 'expert' appraisal. In this context, the 'expert' appraisal should provide a cost for the motor vehicle or motorcycle that is the appraisal cost as inspected at the point of importation.

Therefore, the 'expert' appraisal will not include post importation charges but will take account of any modifications or accessories that have been made or added to the motor vehicle or motorcycle prior to its importation to Australia. Once the Australian "landed cost" has been satisfactorily established, certain deductions (e.g. overseas freight and insurance) will be made by Customs. The value so determined will be the **customs value**.

Importer's Responsibility to Obtain an Australian Valuation

Where an 'expert' appraisal is necessary to establish the value of the motor vehicle or motorcycle, it is the importer's responsibility to obtain and pay for that service. Such appraisal must be to the satisfaction of Customs. Where Customs requires a further appraisal, the cost will be borne by Customs.

DETERMINING THE VALUE OF THE TAXABLE IMPORTATION (VoTI)

The amount of GST payable is 10% of the value of the taxable importation (VoTI).

The VoTI is the sum of:

- the customs value; **and**
- the customs duty; **and**
- the amount paid or payable:
 - for the international transport of the vehicle; **and**
 - to insure the vehicle for transport (to the extent that the amount is not included in the customs value).

For a "passenger" motor vehicle where the customs value was \$1000, the general rate of customs duty was 10% and international transport and insurance was \$150, the calculation would be:

| | | |
|--|-------------------|----------------|
| Customs value | \$1,000.00 | |
| Customs duty @ 10% | \$100.00 | Payable |
| Plus international transport and insurance | \$150.00 | |
| VoTI | \$1,250.00 | |
| GST (10%) | \$125.00 | Payable |

Therefore the amount payable is **\$100.00 + \$125.00 = \$225.00**. These figures are valid for vehicles with a value less than the Luxury Car Tax (LCT) threshold. For details on the effect of the LCT and on the LCT threshold value, please see below.

LUXURY CAR TAX

In addition to GST, LCT is levied on vehicles above a certain value. The LCT threshold, the value above which the LCT becomes payable, is a GST-inclusive value, equal to the Australian Taxation Office's car depreciation limit. For the 2004-05 financial year, the LCT threshold is \$57,009.

The LCT value is calculated as the sum of the value of the taxable importation (VOTI – see preceding section) plus the amount of GST payable. The LCT rate is 25%. The LCT threshold includes GST. LCT is payable on the amount by which the LCT value exceeds the LCT threshold after excluding the GST applicable to that amount above the LCT threshold. An example of how to calculate the LCT is provided on page 7.

LCT does not apply to motorcycles or to vehicles with a designed load carrying capacity of 2 tonnes/ 9 passengers or more.

APPLICABLE RATES OF CUSTOMS DUTY

NOTE: Listed below are the general rates of customs duty in operation on 1 January 2005. Motor vehicles that are manufactured or that originate in certain countries may be eligible for concessional rates of customs duty. It is in your interest to confirm the rate of customs duty applying as well as other relevant information prior to shipment as these matters change from time to time.

PASSENGER VEHICLES OF AN AGE OF LESS THAN 30 YEARS (new or used, including sedans, station wagons & four wheel drive vehicles, *except those defined in the Customs Tariff Act 1995 as "off road four wheel drive" vehicles*):

Customs duty = 10%
GST = 10%
LCT: May apply

PASSENGER VEHICLES OF AN AGE OF 30 YEARS OR MORE (vehicles 30 years or more old are subject to GST only):

Customs duty = None
GST = 10%
LCT: May apply.

OTHER VEHICLES (*including "off road four wheel drive" vehicles*):

Customs duty = 5%
GST = 10%
LCT: May apply.

CAMPERVANS AND MOBILE HOMES:

Customs duty = 10%
GST = 10%
LCT: May apply.

MOTOR VEHICLES FOR THE TRANSPORT OF GOODS:

Customs duty = 5%
GST = 10%
LCT: No LCT if vehicle was designed to carry 2 tonnes or more.

MOTORCYCLES (with reciprocating internal combustion piston engines only):

Customs duty = None
GST = 10%
LCT: Does not apply.

CUSTOMS DUTY*, GST AND LUXURY CAR TAX CALCULATIONS

EXAMPLE: Calculation of customs duty and GST on a passenger motor vehicle less than 30 years old with a customs value of \$25,000 and international transport and insurance costs of \$1,500.

| | |
|-------------------------------------|--------------------------|
| Customs Value | = \$25,000 |
| Customs Duty @ 10% | = \$2,500 Payable |
| International Transport & Insurance | = \$1,500 |
| Value of Taxable Importation | = \$29,000 |
| GST (10%) | = \$2,900 Payable |
| Total Customs Duty and GST | = \$5,400 |

* The calculation of the customs duty payable assumes that a general rate of customs duty applies.

EXAMPLE: Calculation of customs duty, GST and LCT on a passenger motor vehicle less than 30 years old with a customs value of \$50,000 and international transport and insurance costs of \$2,000.

| | |
|-------------------------------------|--------------------------|
| Customs Value | = \$50,000 |
| Customs Duty @ 10% | = \$5,000 Payable |
| International Transport & Insurance | = \$2,000 |
| Value of Taxable Importation | = \$57,000 |
| GST (10%) | = \$5,700 Payable |
| Luxury Car Tax Value | = \$62,700 |

LCT is levied on vehicles with a value in excess of **\$57,009** (see the section on LCT on Page 5).

The calculation of the LCT is as follows:

$$\begin{aligned} \text{LCT} &= 25/100 \times 10/11 \times (\text{luxury car tax value} - \text{luxury car tax threshold}) \\ &= 25/100 \times 10/11 \times (\$62,700 - \$57,009) \\ &= 25/100 \times 10/11 \times \$5,691 \\ &= 25/100 \times \$5,173.64 \\ &= \$1,293.41 \text{ Payable} \end{aligned}$$

Therefore, the total customs duty, GST and LCT payable on a passenger motor vehicle with a customs value of \$50,000 and international transport & insurance costs of \$2,000 is:

$$\begin{aligned} \text{Customs duty plus GST plus LCT} &= \$5,000 + \$5,700 + \$1,293.41 \\ &= \$11,993.41 \text{ Payable} \end{aligned}$$

CALCULATION SHEET FOR PRIVATELY IMPORTED MOTOR VEHICLES AND MOTORCYCLES

1. CUSTOMS VALUE IN AUSTRALIAN DOLLARS

(refer to Pages 2 to 5 for instructions on how to calculate the value of your vehicle in Australian dollars)

= \$ _____

2. PLUS CUSTOMS DUTY @ _____ %

(refer to Page 6 for the rate of customs duty for your vehicle)

= \$ _____

3. PLUS INTERNATIONAL TRANSPORT & INSURANCE

(refer to your carrier for these charges)

= \$ _____

4. TOTAL (OF 1,2 & 3)

= \$ _____

5. GST (=10% of 4 above)

= \$ _____

6. TOTAL CUSTOMS DUTY AND GST PAYABLE

(equals the total of the amounts shown at 2 and 5)

= \$ _____

PLEASE NOTE: If the LCT value of your vehicle is in excess of **\$57,009** (see the section on LCT on Page 5), you will be required to pay LCT. To find out whether you are liable for LCT, please add the amounts shown at 4 and 5 above. If this amount exceeds \$57,009 please continue the calculation as shown below.

7. TOTAL OF 4 & 5 ABOVE

= \$ _____

8. Excess value for LCT = Luxury car tax value less luxury car tax threshold
 = Amount shown at 7 less \$57,009
 = \$ _____

9. LCT CALCULATION = $25/100 \times 10/11 \times$ excess value (i.e. amount shown at 8)
 = \$ _____

10. Total payable = Amount shown at 6 plus amount shown at 9
 = \$ _____

NOTE: Australian manufactured vehicles are not subject to customs duty but are liable to GST and LCT. Re-imported Australian vehicles do not require a Vehicle Import Approval provided they are fitted with a valid Australian Compliance Plate or have been previously imported into, and registered in, Australia.

PLEASE READ THIS IMPORTANT NOTICE

This leaflet is not a legal document. It is a *guide* to current policy only.

No decisions on payment of customs duty, GST and, where applicable, LCT can be made on your vehicle until the vehicle arrives at the port of clearance and all relevant information is given to the Australian Customs Service.

The information in this leaflet was current when this leaflet was issued in January 2005.

A Vehicle Import Approval must be obtained before you attend a Customs office to clear your vehicle.

As advised on the front of this pamphlet, it may take up to seventeen (17) days to have a Vehicle Import Approval issued.

A Vehicle Import Approval should be obtained before the vehicle is shipped to Australia.

Should you require more information in relation to the clearance of motor vehicles, you should direct your enquiry to the Customs office in the state through which you intend importing the vehicle.

You should remember that Customs has no control or authority over motor vehicle or motorcycle specifications or registration requirements in Australia. Questions relating to the registration of motor vehicles *must* be directed to the registration authority in the state in which you intend to use the motor vehicle.

It is an offence under Australian Customs legislation to provide incorrect or false information to a Customs officer when entering goods.

Penalties for such offences can be severe and can, in some cases, include forfeiture of the goods concerned. Such forfeiture would be in addition to other penalties.

ADDRESSES AND CONTACT NUMBERS

| CUSTOMS | REGISTRATIIONS |
|---|--|
| <p>Customs Information and Support Centre Internet: www.customs.gov.au E-mail: information@customs.gov.au General Enquiries: 1300 363 263 (Australia only) + 61 2 8339 6000 (Overseas only) Fax: (02) 8339 6714</p> | <p>New South Wales Manager Vehicle Policy & Research Roads and Traffic Authority PO Box K198 HAYMARKET NSW 1238 Phone: 13 22 13 Internet: www.rta.nsw.gov.au</p> |
| <p>Postal Address: Locked Bag 3000 Sydney International Airport MASCOT NSW 2020</p> | <p>Victoria Vic Roads Vehicle Safety Branch Road Safety Division 60 Denmark Street KEW VIC 3101 Phone: 13 11 71 (local) or (03) 9854 2666 Internet: www.vicroads.vic.gov.au</p> |
| <p>Street Address: Customs House 10 Cooks River Drive Sydney International Airport MASCOT NSW 2020</p> | <p>Queensland Queensland Transport Registration Division GPO Box 1549 BRISBANE QLD 4001 Phone: 13 23 80 (local) or (07) 3253 4500 Internet: www.transport.qld.gov.au</p> |
| <p>VEHICLE IMPORT APPROVALS Vehicle Safety Standards Branch Department of Transport & Regional Services GPO Box 594 CANBERRA ACT 2601 Phone: 1800 815 272 (Australia only) or (02) 6274 7444 Fax: (02) 6274 6013 E-mail: Vimports@dotars.gov.au Internet: www.dotars.gov.au/rvcs</p> | <p>South Australia Driver and Vehicle Operations Section Department of Transport PO Box 2526 REGENCY PARK SA 5942 Phone: 1300 882 248 Internet: www.transport.sa.gov.au</p> |
| <p>QUARANTINE Australian Quarantine & Inspection Service GPO Box 858 CANBERRA ACT 2601 Phone: (02) 6272 3999 Fax: (02) 6272 5888 Internet: www.aqis.gov.au</p> | <p>Western Australia Licensing Division Department for Planning and Infrastructure GPO Box R1290 PERTH WA 6844 Phone: 13 11 56 (local) or (08) 9427 6404 Internet: www.dpi.wa.gov.au/licensing</p> |
| <p>LUXURY CAR TAX Australian Taxation Office GPO Box 9938 In Your Capital City Phone: 1300 661 542</p> | <p>Tasmania Registration & Licensing Department Department of Infrastructure, Energy & Resources GPO Box 1002 HOBART TAS 7001 Phone: 1300 851 225 Internet: www.dier.tas.gov.au</p> |
| | <p>Northern Territory Motor Vehicle Registry GPO Box 530 DARWIN NT 0801 Phone: 1300 654 628 Internet: www.mvr.nt.gov.au</p> |
| | <p>Australian Capital Territory Road Transport Authority PO Box 582 DICKSON ACT 2602 Phone: (02) 6207 7019 Internet: www.rego.act.gov.au</p> |