



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 thirty 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

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:

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

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

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: An Australian manufactured vehicle being re-imported into Australia may be exempt from customs duty and/or GST and LCT providing the vehicle meets all the relevant conditions of item 17 of Schedule 4 of the *Customs Tariff Act (1995)* and section 42 – 10 of the *A New Tax System (Goods and Services Tax) Act 1999*.

An Australian manufactured vehicle does not require a Vehicle Import Approval (VIA) provided it is fitted with a valid Australian Compliance Plate or has 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

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

Postal Address:

Locked Bag 3000
Sydney International Airport
MASCOT NSW 2020

Street Address:

Customs House
10 Cooks River Drive
Sydney International Airport
MASCOT NSW 2020

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.au/rvcs

Quarantine

Australian Quarantine & Inspection Service
GPO Box 858
CANBERRA ACT 2601
Phone: (02) 6272 3999
Fax: (02) 6272 5888
Internet: www.aqis.gov.au

Luxury Car Tax

Australian Taxation Office
GPO Box 9938
In Your Capital City
Phone: 1300 661 542

Registrations

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

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

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

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

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

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

Northern Territory

Motor Vehicle Registry
GPO Box 530
DARWIN NT 0801
Phone: 1300 654 628
Internet: www.mvr.nt.gov.au

Australian Capital Territory

Road Transport Authority
PO Box 582
DICKSON ACT 2602
Phone: (02) 6207 7019
Internet: www.rego.act.gov.au