



# AUSTRALIAN CUSTOMS SERVICE

## GUIDE TO THE IMPORTATION OF PRIVATELY OWNED MOTOR VEHICLES OR MOTOR CYCLES

*Effective 2 March 1998, the valuation procedures to be applied to privately imported motor vehicles or motor cycles were changed. This document outlines two differing sets of procedures to be applied depending on whether the vehicle was purchased by the importer before or on or after 2 March 1998.*

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

### BEFORE YOU CAN GAIN CLEARANCE OF YOUR MOTOR VEHICLE OR MOTOR CYCLE THROUGH 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, GST and, where applicable, Luxury Car Tax (LCT) and obtain a customs clearance at the port of entry*
- \* (3) *Obtain quarantine clearance from the Australian Quarantine and Inspection Service after the vehicle has arrived at the port of entry*

### IMPORTANT NOTICE CONCERNING THE "VEHICLE IMPORT APPROVAL"

- To gain clearance of your motor vehicle/motor cycle 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 VSSB 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.

(2)

The **Australian Quarantine and Inspection Service** inspects all vehicles on arrival and requires them to be properly cleaned. This is usually effected 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 authorities in the state in which the vehicle is to be registered** any questions about *registration of the vehicle*.

In order to clear your motor car or motor cycle 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.

The Australian Customs Service 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,** the **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% (ie six years ownership).

(3)

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

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*

*Customs value* will be determined as **40% of the current Australian market value of the vehicle**. As a normal practice, the Australian Customs Service 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 bona fide market values from a recognised expert in the motor vehicle industry.

**For vehicles purchased on or after 2 March 1998,** the *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.

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- 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 vehicle or cycle 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;
- where sufficient and reliable information (Section 160 of the Customs Act 1901) is not available to a Collector.

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 motor cycles. 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 motor cycles when it is unable to be determined using the previous methods. This method is based on the cost of the motor vehicle or cycle at the Australian wharf (ie 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 vehicle or cycle which 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 which have been made or added to the vehicle or cycle prior to its importation to Australia. Once the Australian "landed cost" has

been satisfactorily established, certain deductions (eg 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 vehicle or cycle, 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 **plus**
- the Customs duty **plus**
- 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 duty rate 15% and international transport and insurance \$150, the calculation would be:

|  |                 |                |
|--|-----------------|----------------|
| Customs value                              | \$1000.00       |                |
| <b>Customs duty @ 15%</b>                  | <b>\$150.00</b> | <b>Payable</b> |
| Plus international transport and insurance | <u>\$150.00</u> |                |
| VoTI                                       | \$1300.00       |                |
| <b>GST (10%)</b>                           | <b>\$130.00</b> | <b>Payable</b> |

Therefore the amount payable is **\$150.00 + \$130.00 = \$280.00**. These figures are valid for vehicles with a value less than the Luxury Car Tax threshold. For details on the effect of the Luxury Car Tax and its threshold value, please see below.

### **LUXURY CAR TAX**

In addition to GST, a Luxury Car Tax (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 Offices' car depreciation limit. For the 2002/2003 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%. While the LCT threshold is GST-inclusive, LCT is only payable on the GST-exclusive amount which exceeds the threshold value.

LCT applies to motor vehicles (except motor cycles or similar vehicles) that are designed to carry a load of less than 2 tonnes and fewer than 9 passengers.

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**APPLICABLE CUSTOMS DUTY RATES**

**NOTE: The percentage rates of Customs Duty listed below are those which were in operation on 1 July 2002. It is in your interest to confirm these rates and 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 as "off road four wheel drive" vehicles*):

Customs duty = 15%  
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 = 15%  
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

MOTOR CYCLES (with reciprocating I.C. 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 VEHICLE LESS THAN 30 YEARS OLD* WITH A CUSTOMS VALUE OF \$25,000 AND INTERNATIONAL TRANSPORT AND INSURANCE COSTS OF \$1500

|                                     |   |                |                |
|-------------------------------------|---|----------------|----------------|
| Customs Value                       | = | \$25,000       |                |
| Customs Duty @ 15%                  | = | <b>\$3,750</b> | <b>Payable</b> |
| International Transport & Insurance | = | \$1,500        |                |
| Value of Taxable Importation        | = | \$30,250       |                |
| GST (10%)                           | = | <b>\$3,025</b> | <b>Payable</b> |
| Total Customs Duty and GST          | = | <b>\$6,775</b> |                |

EXAMPLE CALCULATION OF CUSTOMS DUTY, GST AND LCT ON A *PASSENGER VEHICLE LESS THAN 30 YEARS OLD* WITH A CUSTOMS VALUE OF \$45,000.00 AND INTERNATIONAL TRANSPORT AND INSURANCE COSTS OF \$1500

|                                     |   |                |                |
|-------------------------------------|---|----------------|----------------|
| Customs Value                       | = | \$45,000       |                |
| Customs Duty @ 15%                  | = | <b>\$6,750</b> | <b>Payable</b> |
| International Transport & Insurance | = | \$1,500        |                |
| Value of Taxable Importation        | = | \$53,250       |                |
| GST (10%)                           | = | <b>\$5,325</b> | <b>Payable</b> |
| Luxury Car Tax Value                | = | \$58,575       |                |

Luxury Car Tax (LCT) is levied on vehicles with a value in excess of **\$57,009** (see the section on **Luxury Car Tax on Page 6**). The calculation of the LCT is as follows:

$$\begin{aligned}
 \text{LCT} &= 25/100 \times 10/11 \times (\text{luxury car tax value} - \text{luxury car tax threshold}) \\
 &= 25/100 \times 10/11 \times (\$58,575 - \$57,009) \\
 &= 25/100 \times 10/11 \times \$1,566 \\
 &= 25/100 \times \$1,424 \\
 &= \mathbf{\$356 \text{ Payable}}
 \end{aligned}$$

Therefore, the total Customs duty, GST and LCT payable on a vehicle with a Customs value of \$45,000 and international transport & insurance costs of \$1500 is:

$$\begin{aligned}
 &\text{Customs duty plus GST plus LCT} \\
 &= \$6,750 + \$5,325 + \$356 \\
 &= \$12,431
 \end{aligned}$$

**CALCULATION SHEET FOR PRIVATELY IMPORTED MOTOR VEHICLES**

|   |  |   |  |
|---|--|---|--|
| 1.  | <b>CUSTOMS VALUE IN AUSTRALIAN DOLLARS</b><br>(refer to Pages 2 to 5 for instructions on how to calculate the value of your vehicle in Australian dollars) | = | \$ _____   |
| 2.  | <b>PLUS CUSTOMS DUTY @ _____ %</b><br>(refer to Page 6 for Customs duty rates for your vehicle)  | = | \$ _____   |
| 3.  | <b>PLUS INTERNATIONAL TRANSPORT &amp; INSURANCE</b><br>(refer to your carrier for these charges)   | = | \$ _____   |
| 4.  | <b>TOTAL (OF 1,2 &amp; 3)</b>  | = | \$ _____   |
| 5.  | <b>GST (=10% of 4 above)</b>   | = | \$ _____   |
| 6.  | <b>TOTAL CUSTOMS DUTY AND GST PAYABLE</b><br>(equals the total of the amounts shown at 2 and 5)  | = | \$ _____   |
| <p><b>PLEASE NOTE:</b> If the LCT value of your vehicle is in excess of <b>\$57,009 (see the section on Luxury Car Tax on Page 6)</b> you will be required to pay a Luxury Car Tax. 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.</p> |  |   |  |
| 7.  | <b>TOTAL OF 4 &amp; 5 ABOVE</b>  | = | \$ _____   |
| 8.  | <b>Excess value for LCT</b>  | = | Luxury car tax value less luxury car tax threshold               |
|   |  | = | Amount shown at 7 less \$57,009                                  |
|   |  | = | \$ _____   |
| 9.  | <b>LCT CALCULATION</b>   | = | $25/100 \times 10/11 \times$ excess value (ie amount shown at 8) |
|   |  | = | \$ _____   |
| 10.   | <b>Total Payable</b>   | = | 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.

**PLEASE READ THE IMPORTANT NOTICE ON PAGE 9**



**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 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 July 2002.**

- **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 such an approval issued.**
- **Vehicle Import Approvals should be applied for well in advance of the expected arrival of the vehicle.**

- **Should you require more information in relation to the clearance of motor vehicles you should direct your enquiry to the Australian Customs Service office in the state through which you intend importing the vehicle.**
- **You should remember that the Australian Customs Service has no control or authority over motor vehicle or motor cycle specifications or registration requirements in Australia. Questions relating to the registration of motor vehicles *must* be directed to the registration authorities 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.**

Date of effect: 1 July 2002.

**ADDRESSES AND CONTACT NUMBERS****Customs**

General Enquiries: 1300 363 263 (Australia only)  
 Internet: [www.customs.gov.au](http://www.customs.gov.au)  
 E-mail: [information@customs.gov.au](mailto:information@customs.gov.au)

Customs Information Centre  
 GPO Box 8  
 SYDNEY NSW 2001  
 Phone: (02) 9213 2000  
 Fax: (02) 9213 4043

Customs Information Centre  
 GPO Box 2809AA  
 MELBOURNE VIC 3001  
 Phone: (03) 9244 8000  
 Fax: (03) 9244 8200

Customs Information Centre  
 GPO Box 1464  
 BRISBANE Qld 4001  
 Phone: (07) 3835 3255  
 Fax: (07) 3835 3493

Customs Information Centre  
 PO Box 50  
 PORT ADELAIDE SA 5015  
 Phone: (08) 8447 9214  
 Fax: (08) 8447 9208

Customs Information Centre  
 PO Box 396  
 FREMANTLE WA 6959  
 Phone: (08) 9430 1444  
 Fax: (08) 9430 1751

Customs Information Centre  
 GPO Box 148B  
 HOBART Tas 7001  
 Phone: (03) 6230 1270  
 Fax: (03) 6230 1261

Customs Information Centre  
 GPO Box 210  
 DARWIN NT 0801  
 Phone: (08) 8946 9842  
 Fax: (08) 8946 9953

ACT Office  
 Australian Capital Territory  
 5 Constitution Avenue  
 CANBERRA ACT 2600  
 Phone: (02) 6275 6666  
 Fax: (02) 6275 6005

**Vehicle Import Approvals**

Administrator  
 Vehicle Safety Standards Branch  
 Department of Transport & Regional Services  
 GPO Box 594  
 CANBERRA ACT 2601  
 Phone: 1800 815 272 (Australia only) or (02) 6274 7506  
 Fax: (02) 6274 6013  
 E-mail: [vimports@dotars.gov.au](mailto:vimports@dotars.gov.au)  
 Internet:  
[www.dotars.gov.au/land/vehicle/imports/impbroch.htm](http://www.dotars.gov.au/land/vehicle/imports/impbroch.htm)

**Quarantine**

Manager  
 Import Clearance Program  
 Australian Quarantine & Inspection Service  
 GPO Box 858  
 CANBERRA ACT 2601  
 Phone: (02) 6272 5523  
 Fax: (02) 6272 3709

**Registrations**

**New South Wales**  
 Manager  
 Vehicle Policy & Research  
 Roads and Traffic Authority  
 PO Box K198  
 HAYMARKET NSW 2000  
 Phone: 13 22 13  
 Technical enquiries  
 Phone: (02) 9830 5555  
 Fax: (02) 9218 6563

**Victoria**  
 Vic Roads  
 Vehicle Safety Branch  
 Road Safety Division  
 60 Denmark Street  
 KEW Vic 3101  
 Phone: (03) 9854 2651  
 or (03) 9854 2658  
 Fax: (03) 9854 2668

**Queensland**  
 Queensland Transport  
 Registration Division  
 GPO Box 2451  
 BRISBANE Qld 4001  
 Phone: (07) 3253 4100  
 Fax: (07) 3253 4777

**South Australia**  
 Driver and Vehicle Operations Section  
 Department of Transport  
 PO Box 2526  
 REGENCY PARK SA 5942  
 Phone: (08) 8348 9500  
 Fax: (08) 8348 9533

**Western Australia**  
 Technical Section  
 Licensing Division  
 Department of Transport  
 21 Murray Road, South  
 WELSHPOOL WA 6106  
 Phone: (08) 9351 1680  
 Fax: (08) 9351 1689

**Tasmania**  
 Registrar of Motor Vehicles  
 GPO Box 1002K  
 HOBART Tas 7001  
 Phone: (03) 6233 5201  
 Fax: (03) 6233 5240

**Northern Territory**  
 Motor Vehicle Registry  
 Vehicle Standard Section  
 GPO Box 530  
 DARWIN NT 0801  
 Phone: (08) 8999 3150  
 Fax: (08) 8999 3103

**Australian Capital Territory**  
 Road User Services  
 Technical Standards Section  
 PO Box 582  
 DICKSON ACT 2602  
 Phone: (02) 6207 7019  
 Fax: (02) 6207 7007