



Australian Government
**Department of Immigration
and Border Protection**

INSTRUCTION AND GUIDELINE

Importation of Road Vehicles

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Summary of Main Points

This Instruction and Guideline:

1. Explains the statutory framework for importing road vehicles.
2. Details road vehicle importation requirements.
3. Explains the application of vehicle import approvals to different types of importations including:
 - temporary importations (section 162/162A of the *Customs Act 1901*)
 - road vehicle importations by the diplomatic community
 - importation of returned Australian goods
 - importation of road vehicle kits and road vehicle parts
 - importation of second-hand road vehicles
 - road vehicles imported under Status of Forces Agreements/Free Trade Agreements.

This I&G applies to staff in:

- Policy Group
- Support Group

Introduction Statement

All goods imported into Australia for commercial or personal use are liable for duty, taxes and other charges unless there is a specific exemption or authority for the goods to receive concessional treatment.

For road vehicle importations, the importer/owner (or the authorised agent acting on their behalf), must also hold a valid Vehicle Import Approval (VIA) prior to the release of the road vehicle into the Australian community. VIAs are issued by the Department of Infrastructure and Regional Development (Infrastructure). Quarantine clearance is also required from the Department of Agriculture (DoA) after the road vehicle has arrived at the port of entry.

- The Vehicle Safety Standards Branch (VSSB) of Infrastructure is the sole decision maker as to the requirement for issuing approval to import road vehicles and non-transport equipment.
- The importer or the broker acting on behalf of the importer is not entitled to determine if a vehicle requires a VIA or that it is non-transport equipment.
- Officers of Customs must rely upon advice from the VSSB, and are not entitled to decide if a vehicle requires a VIA or that it is non-transport equipment.

Instruction and Guideline

1. Context and Scope

1.1 Context and Scope

1.1.1 This Instruction and Guideline applies to:

- Road motor vehicles
 - a motor vehicle designed solely or principally for the transport on public roads of people, animals or goods; or
 - a motor vehicle that is permitted to be used on public roads.
- Road vehicles
 - a vehicle without motive power designed for attachment to a road motor vehicle;
 - a piece of machinery or equipment that is equipped with wheels and designed to be towed behind a road motor vehicle; or
 - a partly completed road vehicle - refer to [ACN 2013/48 Importation of road vehicles](#) for more information. Australian Customs Notice 2001/06 *Guidelines for Entry of Partially Dismantled Vehicles* has been revoked.

Intending importers of partially dismantled road vehicles should provide additional advice (including photos and documents if necessary) to the VSSB in order to confirm if a partially dismantled road vehicle is essentially a vehicle which requires a VIA. It is possible that the VSSB may determine a VIA is not required but the vehicle would still be classified to the tariff as a vehicle. The VSSB is responsible for deciding if a partially assembled or dismantled vehicle requires a VIA.

1.1.2 This Instruction and Guideline does not apply to:

- vehicle parts (no vehicle parts have been prescribed in the *Customs Regulation 2015 and/or the Customs (International Obligations) Regulation 2015*) requiring an import approval
- vehicles used for agricultural purposes such as tractors
- railway or tramway locomotives, rolling-stock and parts thereof
- tanks and other armoured fighting vehicles
- bicycles
- vehicles specially designed for travelling on snow, golf carts and similar vehicles

- vehicles specialised for mining, drilling, construction (but applies to mining equipment based on road vehicles, such as trucks fitted with specialised mining equipment, etc).
- 1.1.3 Throughout this document, the term 'road vehicle' will be used to refer to both road motor vehicle and road vehicle (except where legislative references are made).
- 1.1.4 The Department has no control or authority over the registration and insurance requirements for road vehicles in Australia.

2. Statutory Framework for Importing Road Vehicles

2.1 The Customs Act 1901

- 2.1.1 Section 68 of the *Customs Act 1901* (the Act) requires all road vehicles (with some exceptions, e.g. road vehicles imported into Australia under a carnet), imported into Australia to be entered for home consumption or for warehousing. Section 30 of the Act requires the road vehicles to remain under customs control¹ until the Department issues an Authority to Deal (ATD).
- 2.1.2 When all duty and tax liabilities and other charges have been paid and the import cargo is not subject to a holding direction (including quarantine holds), the Department issues an ATD in accordance with s. 71C of the Act. The ATD may be subject to conditions relating to specified permissions obtained under another law of the Commonwealth. If an ATD is subject to a condition, the ATD is not valid unless the permission (approval) has been obtained.
- 2.1.3 An ATD for an imported road vehicle is not valid unless a VIA is granted in writing under s.17A(1) of the *Motor Vehicle Standards Act 1989* (MVSA).

2.2 The Motor Vehicle Standards Act 1989

- 2.2.1 Under the MVSA (the legislative authority for issuing VIAs), it is an offence to import road vehicles without a valid VIA. The Department must ensure an importer/owner holds a valid VIA before releasing the road vehicle into home consumption.
- 2.2.2 The MVSA defines:
- a road vehicle as
 - (a) a road motor vehicle; or
 - (b) a road trailer; or
 - (c) a partly completed road motor vehicle;
- but does not include vehicles which the Minister has determined, under s.5B, are not road vehicles;
- a road motor vehicle as

¹ For the purposes of this I&G, a road vehicle brought to Australia is under customs control from the time it is unshipped until it is delivered into home consumption in accordance with an authority under section 71C of the Act.

- (a) a motor vehicle designed solely or principally for the transport on public roads of people, animals or goods; or
 - (b) a motor vehicle that is permitted to be used on public roads; and
- a road trailer as
 - (a) a vehicle without motive power designed for attachment to a road motor vehicle; or
 - (b) a piece of machinery or equipment that is equipped with wheels and designed to be towed behind a road motor vehicle.

Examples include

	Road vehicles		
Vehicle type	Road motor vehicle	Road trailer	Not a road vehicle
Passenger	Power assisted pedal cycle Motorbike Sedan, hatch, station wagon Van SUV/4WD Bus Mobility scooters		Trail bike Quad bike/ATV Motorised skateboards Children's ride-on-toys
Goods	Ute Truck Prime mover truck Motor home	Box trailer Boat trailer Caravan Horse float Trailers for trucks	Tractors Agricultural equipment Tracked mining and construction equipment Mining and construction equipment such as excavators, graders
Other		Air Compressor – mobile Light tower – mobile	Formula one race cars Motorised wheelchairs

A commercial importer may also obtain approval to apply compliance plates to new imported road vehicles under s.10A (1) or s.10A (2) of the MVSA. This type of approval is known as a 'Blanket VIA'.

2.3 The Ozone Protection and Synthetic Greenhouse Gas Management Act 1989

2.3.1 Road vehicles (and other equipment such as boats, caravans, etc) equipped with an air-conditioner or refrigeration system may require an import licence under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*. This Act controls the manufacture, import and export of ozone depleting substances (ODS) and synthetic greenhouse gases (SGG) in Australia. These substances are listed in Schedule 10 of the *Customs (Prohibited Imports) Regulations 1956*.

2.3.2 Before importing a road vehicle with an air-conditioner or refrigeration system, importers must find out the type and quantity of gas contained in the equipment (if gassed) so that they can complete licensing and reporting requirements that are detailed at the Department of the Environment website. Specific requirements can be found at www.environment.gov.au/atmosphere/ozone/licences/vehicle-import.html

2.3.3 Goods are exempt from this licence if:

- the vehicle is owned by the importer for at least 12 months prior to importation and is principally for their private use; or
- the air-conditioning or refrigeration system is degassed prior to being shipped.

If an importer claims one of these exemptions, they may be required to present documentary evidence to support their claim. These records should be kept for audit purposes.

2.4 Vehicles with components made of asbestos

2.4.1 It is an offence to import a road vehicle containing components that include asbestos. Australia prohibits the use of asbestos in all vehicle parts including gaskets, brake pads and clutch plates. Importers of road vehicles should be aware that there may be lengthy delays in releasing road vehicles that are suspected of asbestos contamination. More information is available in [Australian Customs Notice 2010/45 Importation of asbestos or goods containing asbestos](#).

3. Road Vehicle Importation Requirements

3.1 Legislation requirements

3.1.1 Under the Act and the MVSA, a road vehicle may be imported into Australia if the importer:

- has a valid VIA; or
- has a valid carnet; or

- is covered by a Status of Forces Agreement (SOFA); or
- has an Australian carnet.

3.1.2 An importer/owner may also need to have a pre-charged equipment licence, and will have to pay any customs duty, Goods and Services Tax (GST) and, if applicable, Luxury Car Tax (LCT).

3.2 When a VIA is not or cannot be obtained

3.2.1 If a road vehicle has been shipped to Australia prior to a VIA being obtained, the importer/owner may be in breach of the MVSA and be subject to prosecution. Infrastructure may issue a VIA post-importation. This may take time and the importer/owner is likely to incur significant storage charges and other costs until a VIA is obtained (post-importation) for the road vehicle.

3.2.2 If a VIA application is not approved, the road vehicle will have to be exported or destroyed, under the Department's supervision, at the importer/owner's expense. Officers of Customs should advise importers/owners of road vehicles in this situation to contact Infrastructure for advice.

3.3 VIA and importation process

3.3.1 Step 1 – Applying for a VIA

A VIA must be obtained **prior** to the road vehicle being shipped to Australia. Details of the process for applying for a VIA and the relating application forms can be obtained at www.infrastructure.gov.au/vehicles/imports/index.aspx

As it may take time before a VIA is issued, it is important for an importer/owner not to make arrangements to transport a road vehicle to Australia until after a VIA is issued.

The VSSB processes applications and will advise the applicant that a:

- VIA is granted for the road vehicle; or
- clearance is granted for non-transport equipment; or
- import approval is refused.

3.3.2 Step 2 – Lodging an import declaration

When a valid VIA has been obtained, an import declaration must be lodged with the Department unless the road vehicle is imported under a carnet. This is done by communicating to the Department an import declaration electronically through the Integrated Cargo System (ICS) or manually at a Department counter. If the value of the road vehicle is A\$1000 or less, a Self Assessed Clearance (SAC) declaration must be used.

3.3.3 Step 3 – Paying duty and taxes

After an import declaration is lodged and all Department and DoA clearance requirements are met (including the payment of any duty and tax liabilities and other charges), an ATD will be issued subject to the condition that the importer holds a valid VIA for that imported road vehicle.

3.3.4 Step 4 – DoA Inspection

DoA inspects all imported road vehicles for cleanliness before those road vehicles are released from customs control.

In addition to other requirements, importers/owners of used road vehicles are required to lodge a Quarantine Entry at a DoA regional office. Importers/owners are also required to contact the DoA regional office, in the port of arrival for the road vehicle, to arrange an inspection. The importer/owner is responsible for all DoA charges. Further information can be found at

www.daff.gov.au/biosecurity/import/vehicles-machinery/motor-vehicles

4. The Application of VIAs to Certain Types of Importations

4.1 Temporary importations granted under section 162

- 4.1.1 Section 162 of the Act permits the temporary importation of various goods without the payment of duty and taxes. Generally, goods may be temporarily imported for a period of up to 12 months, unless the Comptroller General agrees to extend this period. This is to ensure that importers do not use the temporary import provisions under the Act to avoid their duty and taxation liabilities for goods that will, in practice, remain in Australia in the longer term.
- 4.1.2 Where approval is given for goods to be temporarily imported, the Department may take a security equivalent to the amount of duty and tax payable at the time the goods are imported. If a road vehicle is not exported within the approved time limit, the importer/owner will forfeit the security. The security is also forfeited if the road vehicle is lost, stolen or seriously damaged and unable to be exported when required.
- 4.1.3 It is possible to obtain a VIA to temporarily import a road vehicle into Australia for a period of up to 12 months without payment of duty and taxes. Temporary VIAs are issued for such events as exhibitions, fairs, meetings or similar events. Exportation from Australia must occur within the time limit specified in the VIA and all fittings and accessories imported with the road vehicle must also be exported with the same road vehicle at the same time. If the VIA expires and the road vehicle is not exported, the importer/owner must contact Infrastructure.

4.2 Temporary importations granted under section 162A (Carnets)

- 4.2.1 Section 162A of the Act permits the temporary importation of commercial samples, professional equipment, scientific equipment and goods for display or use at exhibitions, fairs, meetings or similar events. This temporary importation is undertaken under a Carnet issued by Chambers of Commerce under the Admission Temporaire/Temporary Admission (ATA) Convention or the Convention on Temporary Admission (otherwise known as the Istanbul Convention).
- 4.2.2 Section 162A also enables private road vehicles to be temporarily imported for a specified period on a Carnet de Passages en Douane (CPD Carnet²) issued by an overseas organisation which has a reciprocal arrangement with the Australian Automobile Association (AAA).

² An international 'passport for private touring vehicles' where the payment of duty and taxes is guaranteed by an overseas body.

- 4.2.3 Road vehicles imported under s.162A are deemed to be entered for home consumption and do not require a formal entry (import declaration). VIAs are **not** required for temporary importations under Carnets (this also applies to Australian issued Carnets). If the Carnet has expired, a VIA will be required. If the road vehicle contains pre-charged equipment, a licence may be required from the Department of the Environment.

4.3 Road vehicle importations by the diplomatic community

- 4.3.1 Diplomatic missions, consular posts and their privileged staff are entitled to import goods free of duty, taxes and cost recovery charges, provided that the goods meet all legislative requirements. Exemption from customs duty, GST and LCT is granted under the provisions of *the Diplomatic Privileges and Immunities Act 1967* or the *Consular Privileges and Immunities Act 1972*.
- 4.3.2 Road vehicles may be imported free of customs duty and GST/LCT provided a VIA is obtained. A VIA is generally only issued where requirements prescribed in the MVSA are met. The key provisions for the importation of new or second hand vehicles are that one of the following regulations are met:
- Regulation 12 – the road vehicle was originally built to comply with the National Standards in Australia (the Australian Design Rules); OR
 - Regulation 17 – the road vehicle was manufactured before 1 January 1989.
- If these requirements are not met, it is unlikely that a VIA can be issued.
- 4.3.3 To qualify for duty and tax exemption, diplomatic missions/consular posts or privileged staff importing road vehicles into Australia must ensure that the vehicle has been purchased from an overseas dealer **prior** to its arrival in Australia. Vehicles ordered through Australian dealers do not qualify for tax exemption.
- 4.3.4 Applications for the purchase of an imported road vehicle should be submitted individually for each road vehicle to Protocol Branch, Department of Foreign Affairs and Trade (DFAT) using the *Application for the purchase of a motor vehicle under privilege*. This form is available electronically from DFAT, Australian Taxation Office (ATO) and ACBPS websites.

4.4 Importation of returned Australian goods

- 4.4.1 Road vehicles classified as returning Australian goods must also hold a valid VIA before customs clearance can be obtained at the port of entry. This is regardless of whether the road vehicle has been modified or not.
- 4.4.2 A VIA is required when a road vehicle:
- was exported from Australia and is subsequently being re-imported; or
 - is returning to Australia that is currently registered or was previously registered in Australia; or
 - was purchased overseas and has an Australian compliance plate fitted.
- 4.4.3 There are three (3) categories of returned Australian road vehicles that may be imported. These include road vehicles that are:

- unaltered; or
- repaired or renovated but not changed to become a different road vehicle; or
- altered to become a different road vehicle (which would mean the use of a different Tariff classification).

These are explained below.

4.4.4 When a valid VIA has been obtained, the importer/owner of the 'returning road vehicle' may utilise the concessional treatment under Items 17 and 20 to Schedule 4 of the *Customs Tariff Act 1995* (the Customs Tariff) in clearing the vehicle into home consumption. (Item 17 may be used for unaltered road vehicles returning to Australia and Item 20 for repaired or renovated road vehicles returning to Australia).

4.5 Category 1 – Returned Australian Goods – Unaltered Road Vehicles (Item 17)

4.5.1 An importer/owner of an unaltered road vehicle which has not been subjected to treatment, repair, or renovation while overseas (i.e. has remained the same road vehicle as when it was exported from Australia), may be imported at a free rate of duty. Concessional treatment is not applicable under circumstances where a refund or drawback or the equivalent was claimed at the time of export (which would be the case for a motor vehicle manufactured under the Automotive Competitiveness and Investment Scheme).

4.5.2 Concessional treatment under Item 17 is applicable to 'returning road vehicles' that were either:

- manufactured in Australia, then exported; or
- imported into Australia, then exported.

4.5.3 GST will remain payable if a road vehicle was manufactured in Australia, then exported and is being re-imported into Australia; and

- GST was not paid prior to export; or
- a refund of GST was paid.

4.5.4 Duty may be payable if a road vehicle imported into Australia, then exported and is being re-imported into Australia; and

- the road vehicle had been exported from Australia without payment of duty; or
- duty was paid when imported but drawback or a refund of that duty was paid prior to export.

4.5.5 If the ownership of the road vehicle changes after the road vehicle was exported from Australia, the road vehicle may be eligible for the Item 17 duty concession, but GST may be payable (subsection 42-10 of *A New Tax System (Goods and Services Tax) 1999* refers). For more detailed information refer to Item 17 duty concessions to Schedule 4 of the Customs Tariff.

4.6 Category 2 – Returned Australian Goods – Repaired or Renovated Road Vehicles (Item 20)

- 4.6.1 An importer of a road vehicle which has been repaired or renovated overseas may make use of the concessional treatment under Item 20 to Schedule 4 of the Customs Tariff. **Customs duty and GST is payable on the cost of the modifications or repairs to the vehicle.**

4.7 Category 3 – Returned Australian Goods – Altered Road Vehicles (No concessional treatment)

- 4.7.1 An importer of a road vehicle which has had modifications that alter the basic characteristics of the road vehicle while overseas or result in the vehicle returning under a different Tariff classification to when it was exported from Australia may not make use of any concessional treatment. **Customs duty, GST and LCT is payable on the customs value of the road vehicle which includes the cost of the road vehicles and the modifications.**

4.8 Importation of road vehicle kits

- 4.8.1 Importations of road vehicle kits including disassembled or partly disassembled road vehicles are subject to an assessment made by Infrastructure to determine the need for a VIA.
- 4.8.2 An importer/owner of a road vehicle kit, must submit a full application to Infrastructure which contains all the relevant information. Infrastructure will assess the application to determine if a VIA is required and will advise the importer/owner in writing if a VIA is not required for the road vehicle kit.
- 4.8.3 State and territory registration authorities may not register a reassembled road vehicle or a road vehicle kit for use on public road without a valid VIA.

4.9 Importation of road vehicle parts

- 4.9.1 Road vehicle parts do **not** require VIAs. However, for Customs Tariff purposes, and for the purposes of obtaining a VIA, a road vehicle is not considered to be parts because it is unassembled, dismantled or incomplete. Refer to [Australian Customs and Border Protection Notice No. 2013/48 Importation of road vehicles](#) for more information.
- 4.9.2 If a road vehicle purchased overseas is cut in two halves or more (with the intent to reassemble in Australia) for importation on separate shipments to Australia, the importer/owner may be in breach of the Act for non-compliance of entering the goods (if the purchased road vehicle forms part of a bulk order). Importers/owners who intend to import an unassembled, dismantled or incomplete road vehicle should seek advice from the Department and Infrastructure prior to arranging importation. See the links below for contact details for the Department and Infrastructure:

<http://www.border.gov.au>

<http://www.infrastructure.gov.au/utilities/contact.aspx>

- 4.9.3 If the road vehicle assembly or component being imported bears a road vehicle identification chassis number and is to be reassembled for use on public roads,

then a VIA will still be required. State and territory registration authorities may not register a reassembled road vehicle for use on public roads without a valid VIA.

4.9.4 Removal of parts, attachments and accessories or dismantling

Road vehicles for which a VIA is not or will not be granted by Infrastructure remain under customs control. While a road vehicle remains under customs control, the removal of parts and dismantling of the road vehicle is **not** permitted at any time. The Department will not permit access under any circumstances, for any parts, attachments or accessories to be removed from a road vehicle.

4.10 Status of Forces Agreements (SOFAs)

4.10.1 Vehicles imported under SOFAs. A SOFA is an internationally recognised means of handling issues arising out of the presence of one country's visiting military forces in the territory of another country.

4.10.2 The Customs Tariff covers goods prescribed by by-laws, which are used for persons subject to SOFA agreements. There are separate by-laws for each SOFA that is in force, which prescribe the concessional treatment that is to be granted. SOFA members may apply for concessional treatment under the Customs Tariff which allows a road vehicle to be imported without the payment of duty and GST.

4.10.3 A VIA is **not** required for a road vehicle imported under a SOFA.

4.11 Free Trade Agreements (FTAs)

4.11.1 An importer of a road vehicle may make use of the available concessional treatment under a FTA providing the goods are eligible for the benefit of preferential rates of duty. Preferential rules of origin ensure that only goods that are "the produce or manufacture" of a country or are an "originating good" of a country receive the reduced rates of duty in accordance with the FTA.

4.11.2 For detailed information in regard to applicable duty rates and rules of origin requirements, refer to the specific FTA at <http://www.border.gov.au>.

4.12 Other

4.12.1 Removal of personal effects from an imported road vehicle

Where personal effects have been shipped inside a road vehicle, arrangements may be made with the Department to retrieve the personal effects providing they are not parts or accessories of the road vehicle.

4.12.2 Importation of second-hand road vehicles

A VIA is required prior to importing most second-hand or used road vehicles. Road vehicles manufactured before 1 January 1989 may be imported under a discretionary approval. More information can be obtained from Infrastructure's website at

<http://www.infrastructure.gov.au/vehicles/imports/quiz/used-manufactured.aspx>

5. Assessment and Collection of Duties, Taxes and Other Charges

5.1 Duties, taxes and other charges

5.1.1 All goods imported into Australia are subject to assessment for duty, taxes and other charges at rates that are set down in the relevant legislation. The Department must collect the specified rates of duty and taxes unless concessional treatment can be applied to the goods or the entity importing the goods. The requirements under the legislation apply regardless of whether an importation is undertaken for commercial purposes or personal use.

5.1.2 Duty

Duty rates payable are determined by the tariff classification for imported goods. The Customs Tariff provides the tariff classifications, duty rates, interpretive rules and information on preference schemes, other concessions and exemptions that may apply to the goods. The duty payable is calculated as a percentage of the customs value of the imported road vehicle and or a fixed amount of duty in the case of second-hand vehicles. For information on how to determine the customs value of:

- new road vehicles, refer to the fact sheet [Valuation of Imported Goods](#)
- second-hand road vehicles, refer to [Guide to the Valuation of Imported Road Vehicles](#).

5.1.3 GST

GST is payable for most imported goods. There are a few exemptions from GST such as road vehicles imported for disabled persons, subject to certain conditions. If no exemptions apply, GST is applied at 10% of the value of taxable importation (VoTI).

5.1.4 For imported road vehicles the VoTI is the sum of:

- the customs value (CV);
- any duty payable; and
- the amount paid or payable to transport the goods to Australia and to insure the goods for the transport (T&I).

5.1.5 LCT

LCT is applicable to road vehicles that are:

- designed to carry a load of less than two tonnes and fewer than nine passengers; and
- above a certain value (i.e. the LCT Threshold).

5.1.6 The definition of a road vehicle for LCT purposes includes limousines regardless of the passenger carrying capacity.

5.1.7 The LCT threshold is a GST inclusive value of the road vehicle which, for the 2013/2014 financial year, is set at AUD60,316. Under Taxation legislation, the LCT threshold is reviewed annually. The LCT rate is 33%. While the LCT threshold is GST inclusive, LCT is only payable on the GST exclusive amount which exceeds the threshold value. The LCT value is calculated as the sum of the VoTI.

Please note: The customs value can be an amount less than the LCT threshold figure as shown in Example 2 on page 17.

5.1.8 Fuel efficient luxury cars have a Fuel Efficient Vehicle (FEV) limit. The FEV limit was set at AUD75,375 for the 2013/2014 financial year. However, all calculations are made in the same manner as for other luxury cars and LCT is paid only on the GST exclusive amount which exceeds the FEV limit. Further information can be found in:

- [Australian Customs Notice 2009/35 Luxury Car Tax in the Integrated Cargo System - Update](#); and
- [Australian Customs and Border Protection Notice No. 2013/35 Luxury Car Tax Threshold and Fuel Efficient Vehicle Limit -Changes](#)

The LCT threshold and FEV limit used in the examples below are accurate for the 2013/2014 financial year. Information on current LCT thresholds can be found on the ATO website at www.ato.gov.au/Business/Luxury-car-tax/In-detail/Guides/Luxury-car-tax/?page=2

6. Examples of Road Vehicle Importations

6.1 Examples of road vehicle importations

6.1.1 A number of examples are provided below to assist in illustrating the application of customs duty, GST and LCT on road vehicle importations, Terms used in the examples have been used to assist in the relevant calculations. However, it is important to note the terms used in ICS for lodging import declarations include terms such as:

- Invoice total (ITOT) = sum total of all invoice prices.
- Free on board (FOB) = sum total of all costs including inland transport and insurance in the country of export.
- Cost, insurance and freight (CIF) = total invoice value of the goods including overseas transport and insurance.
- Transport and insurance (T&I) = cost of overseas transport and insurance.

6.1.2 The customs value and the invoice total are not necessarily the same because the invoice may include costs and charges not used to calculate the customs value.

Example 1: Importation of a New Road Vehicle

A new road vehicle with a customs value of AUD40,000 was imported and classified to Tariff classification 8703.21.19. Customs duty rate of 5% was applied to the customs value.

Imported new road vehicle (Passenger vehicle)	Calculation	Amount
Customs Value (CV)		\$40,000.00
Customs Duty = 5% x CV	= 0.05 x 40,000	\$ 2,000.00
Transport & Insurance (T&I)		\$ 2,000.00
VoTI = CV + Duty + T&I	= 40,000 + 2,000 + 2,000	\$44,000.00
GST = 10% x VoTI	= 0.10 x 44,000	\$ 4,400.00
TOTAL PAYABLE = Duty + GST	= 2,000 + 4,400	\$ 6,400.00

Example 2: Importation of a New Luxury Road Vehicle

A new road vehicle with a customs value of AUD55,000 was imported and classified to Tariff classification 8703.21.19. Customs duty rate of 5% was applied to the customs value. The VoTI of this road vehicle exceeds the LCT threshold of AUD60,316.

Imported new Luxury Car	Calculation	Amount
Customs Value (CV)		\$55,000.00
Customs Duty = 5% x CV	= 0.05 x 55,000	\$ 2,750.00
Transport & Insurance (T&I)		\$ 4,500.00
VoTI = CV + Duty + T&I	= 55,000 + 2,750 + 4,500	\$62,250.00
GST = 10% x VoTI	= 0.10 x 62,250	\$ 6,225.00
Luxury Car Value (LCV) = GST + VoTI	= 6,225 + 62,250	\$68,475.00
LCT Payable = (LCV – LCT threshold) x 10/11 x LCT rate	= (68,475 – 60,316) x 10/11 x 0.33	\$ 2,447.70
TOTAL PAYABLE = Duty + GST + LCT	2,750 + 6,225.00 + 2,447.70	\$ 11,422.70

Example 3: Importation of a New Fuel Efficient Luxury Road Vehicle

A new fuel efficient luxury road vehicle with a customs value of AUD70,000 was imported and classified to Tariff classification 8703.21.19. Customs duty rate of 5% was applied to the customs value. The luxury car value of this road vehicle exceeds the Fuel Efficient Vehicle (FEV) limit of AUD75,375.

Imported New Fuel Efficient Luxury Car	Calculation	Amount
Customs Value (CV)		\$70,000.00
Customs Duty = 5% x CV	= 0.05 x 70,000	\$ 3,500.00
Transport & Insurance (T&I)		\$ 4,500.00
VoTI = CV + Duty + T&I	= 70,000+3,500+4,500	\$78,000.00
GST = 10% x VoTI	= 0.10 x 78,000	\$ 7,800.00
Luxury Car Value (LCV) = GST + VoTI	= 7,800 + 78,000	\$85,800.00
LCT Payable = Value above FEV limit x 10/11 x LCT rate	= 10,425 x 10/11 x 0.33	\$ 3,127.50
TOTAL PAYABLE = Duty + GST + LCT	= 3,500 + 7,800 + 3,127.50	\$14,427.50

Example 4: Importation of a Second-Hand Road Vehicle

A second-hand road vehicle less than 30 years old with a customs value of AUD90,000 was imported and classified to Tariff classification 8703.21.11. The importer made use of concessional treatment under Item 37 to Schedule 4 of the Tariff as the importer holds a VIA. Customs duty rate of 5% was applied to the customs value.

Imported second-hand road vehicle that is less than 30 years old – not fuel efficient.	Calculation	Amount
Customs Value (CV)		\$ 90,000.00
Customs Duty = 5% x CV	= 0.05 x 90,000	\$ 4,500.00
Transport & Insurance (T&I)		\$ 4,500.00
VoTI = CV + Duty + T&I	= 90,000 + 4,500 + 4,500	\$ 99,000.00
GST = 10% x VoTI	= 0.10 x 99,000	\$ 9,900.00
Luxury Car Value = GST + VoTI	= 9,900 + 99,000	\$108,900.00
LCT Payable = Value above LCT threshold x 10/11 x LCT rate	= 51,434 x 10/11 x 0.33	\$ 15,430.20
TOTAL PAYABLE = Duty + GST + LCT	4,500 + 9,900 + 15,430.20	\$ 29,830.20

Please Note: Any liabilities regarding customs duty, GST, and LCT (if applicable) will be automatically calculated by the ICS when an import declaration is processed. The importer will be issued with an Advice showing all amounts payable to the Department.

Example 5: Importation of a New Road Vehicle under the Australia United States Free Trade Agreement (AUSFTA)

A new road vehicle with a value of AUD45,000 was imported under AUSFTA and classified to Tariff classification 8703.21.19. As at 1 January 2010, customs duty rate is free. The importation is a taxable importation.

Imported new road vehicle under AUSFTA – Customs duty rate is free	Calculation	Amount
Customs Value (CV)		\$45,000.00
Transport & Insurance (T&I)		\$ 3,000.00
VoTI = CV + Duty + T&I	= 45,000 + 0.00 + 3,000	\$48,000.00
GST = 10% x VoTI	= 0.10 x 48,000	\$ 4,800.00
TOTAL PAYABLE = GST	= 4,800	\$ 4,800.00

Example 6: Importation of an Unaltered Returned Australian Road Vehicle

A returned Australian unaltered road vehicle was imported and classified to Tariff classification 8703.21.19. The importer made use of the concessional treatment under Item 17 to Schedule 4 of the Tariff. The duty rate is free and it is a non-taxable importation.

Imported unaltered road vehicle. (Duty/GST was paid prior to export)	Calculation	Amount
Customs Value (CV)		\$30,000.00
Transport & Insurance (T&I)		\$2,000.00
VoTI = CV + Duty + T&I	= 30,000 + 0.00 + 2,000	\$32,000.00
TOTAL PAYABLE		\$0.00

Example 7: Importation of a Returned Repaired or Renovated Australian Road Vehicle

A returned Australian road vehicle was imported and classified to Tariff classification 8703.21.11. The importer made use of concessional treatment under Item 20 to Schedule 4 of the Tariff and a customs duty rate of 5% was payable on the customs value of the cost of the repair and renovation. GST was payable on the cost of the repair and renovations. For this example the duty payable for the road vehicle under Item 20 to Schedule 4 is zero.

Imported repaired or renovated road vehicle.	Calculation	Amount
Customs Value (CV) = Repairs and Renovation (R&R)		\$10,000.00
Customs Duty on R&R = 5% x \$10,000	= 0.05 x 10,000	\$ 500.00
Transport & Insurance (T&I)		\$ 2,000.00
VoTI = CV of R&R + Customs Duty on R&R + T&I	= 10,000 + 500 + 2,000	\$12,500.00
GST = 10% x VoTI	= 0.10 x 12,500	\$ 1,250.00
TOTAL PAYABLE = Customs Duty on R&R + GST	= 500 + 1,250	\$ 1,750.00

Example 8: Importation of a Returned Australian road vehicle that has been altered to become a different road vehicle

A returned Australian road vehicle with a customs value of AUD60,000 was imported and classified to Tariff classification 8703.21.19. Customs duty rate of 5% was applied to the customs value. The VoTI of this road vehicle exceeds the LCT threshold of AUD60,316.

Altered to become a different road vehicle	Calculation	Amount
Customs Value (CV) of vehicle		\$60,000.00
Cost of Alterations ³		\$20,000.00
Customs Duty = 5% x CV + Alterations	0.05 x \$80,000	\$ 4,000.00
Transport & Insurance (T&I)		\$ 2,000.00
VoTI = CV + Alterations* + Duty + T&I	= 60,000+20,000+4,000+2,000	\$86,000.00
GST = 10% x VoTI	= 0.10 x 86,000	\$ 8,600.00
Luxury Car Value = GST + VoTI	= 8,600 + 86,000	\$94,600.00
LCT Payable = (LCV – LCT threshold) x 10/11 x LCT rate	= (94,600 – 60,316) x 10/11 x 0.33	\$10,285.20
TOTAL PAYABLE = Duty + GST + LCT	= 4,000 + 8,600 + 10,285.20	\$22,885.20

³ Cost of Alterations includes T&I of original vehicle to place of alteration.

7. Related Policies and References

7.1 Practice Statements

- Clearance of Cargo – Import (PS2009/23)

7.2 Other Instruction and Guidelines

- This Instruction and Guideline has no published related Instruction and Guidelines.

7.3 Associated Documents

- This Instruction and Guideline has no Related Associated Documents

7.4 Related Policies and References

- *Customs Act 1901*
- *Customs Regulation 2015*
- *Customs (International Obligations) Regulation 2015*
- *Customs Tariff Act 1995*
- *Motor Vehicle Standards Act 1989*
- *Ozone Protection and Synthetic Greenhouse Management Act 1989*
- *Consular Privileges and Immunities Act 1972*
- *Diplomatic Privileges and Immunities Act 1967*
- Customs Notices 2001/06, 2010/45, 2013/48, 2009/35 2013/35 and 2013/48

7.5 Internal Consultation

- The following internal stakeholders have been consulted in the development of this Instruction and Guideline:
 - Trade, Customs and Industry Policy Division
 - Legal Division
 - Integrity, Security and Assurance Division

7.6 External Consultation

- The following external stakeholders have been consulted in the development of this Instruction and Guideline:
 - Department of Infrastructure and Regional Development
 - Australian Taxation Office

8. Endorsement

Endorsed on	January 2015	(Signature)
By	Sharon Nyakuengama Assistant Secretary Customs & Industry Branch	

9. Approval

Approved on	January 2015	(Signature)	
By	Jeff Buckpitt First Assistant Secretary Trade, Customs & Industry Policy Division		
Period of Effect	January 2015 - 2018	Review Date	January 2018