



Importing vehicles – overview to Importing, Duty & Taxes as of 1 July 2022

Importing any form of motorised transport into Australia is a complex issue with many rules and regulations, all of which are in a state of consent flux. Never, ever, make a decision based on what you've been told by someone else who imported something, nor your last import if you've prior experience, not without first checking the department's web site for latest changes. Department & policy changes are performed without notice to industry; updates are only made public on the department's web site.

The process involves a great deal of paperwork and is very time consuming. Unless being done as a commercial enterprise, or the car/bike has great personal value, or is unique and not otherwise available in Australia, it could prove only minimally less economical than purchasing locally. If you are immigrating to Australia on a temporary basis, then unless your contract is for several years, the work & costs involved will make the undertaking hard to justify.

The Australia government body responsible for monitoring the importing of cars is the [Department of Infrastructure and Transport](#). They work in conjunction with the [Australian Customs and Border Protection Service](#).

Importing your vehicle into Australia

To give some idea to the complexity of importing a vehicle into Australia, the Department of Infrastructure and Transport have produced a 35-page booklet called [Importing Vehicles to Australia](#).

A shorter leaflet giving [very basic information on importing](#) your car is available through the Australian Customs and Border Protection Service. Below is a brief summary of the process.

Import Approval Permits

Both the Department of Infrastructure and Transportation and the Australian Customs Border Protection Service state categorically, "Do not import a vehicle into Australia before obtaining a vehicle import approval." There are significant penalties for vehicles arriving prior to being granted approval, and if problems arise or your vehicle is refused entry, you will have to re-export and/or pay the Department to have the vehicle destroyed.

If the car, motorcycle, or any other vehicle meets the Departments criteria, you can lodge an application with the Department of Infrastructure and Transport. The application is very detailed and you will need specific information relating to the vehicle, such as, but not restricted to, the exact build date, model name and identification, manufacturer's international index code, country of origin homologation reference, record of purchase, current registration certificate/papers, the sellers identification, purchase invoice, proof of payment and international funds transfer receipt.

All vehicle imports are subject to assessment and levies applied by The Department of Customs. This assessment has three components – Import Duty and [Goods and Services Tax \(GST\)](#) and Luxury Car Tax. Below is a description of when either or all are applied:

Vehicle Type	Duty	GST	LCT
Vehicles and motorcycles 30 years & older	0%	10%	
New and used vehicles up to 30 years old	5%	10%	
Four wheel drive off road / commercial vehicles	5%	10%	
Luxury Car Tax (LCT) (not applicable to motorcycles)			33%

The Value of Taxable Importation Customs (VOTI)

There are a number of formulae used to calculate the value and duty of imported goods, and while most would consider the actual paid value of an item is fixed, that's not the case with many goods including all types of motorised transport. The original Country purchase price can have a depreciation factor added to help determine the actual value of the vehicle, but using the Australian Landed Value can sometimes be a good choice as it may be much lower than the local market value. The value can vary enormously so you are advised to check this option carefully.

Australian Landed Value will also include other shipping factors and costs. VOTI is defined by the GST Legislation as the sum of:

Customs Value + Duty + Transport and Insurance + Wine Equalisation Tax (if applicable).

There are three types of duty (General Duty, Standard Duty and Duty) so there are three types of VOTI used.

1. Line VOTI Amount = Line CVAL Amount + Line Duty Amount + Line Countervailing Duty Amount + Line Dumping Duty Amount + Line T&I Amount + Line WET Amount
2. Line Standard VOTI Amount = Line CVAL Amount + Line Standard Duty Amount + Line Countervailing Duty Amount + Line Dumping Duty Amount + Line T&I Amount + Line Standard WET Amount
3. Line General VOTI Amount = Line CVAL Amount + Line General Duty Amount + Line Countervailing Duty Amount + Line Dumping Duty Amount + Line T&I Amount + Line General WET Amount

Luxury Car Tax

As of 1 July 2024, if the car or motorcycle you want to import has a value exceeding \$91,387 for fuel efficient vehicles, and \$80,567 of other vehicles, including GST, it will be subject to Luxury Car Tax (LCT). This tax is in addition to the other charges listed above and is levied at 33% of the value above the threshold.

How to Calculate the cost of duty and GST

The way to calculate duty and GST is dependent on the specific car and can be quite complex, for example;

Classic Car: You wish to purchase a 1960 vintage MG that sold new in the UK for the GBP equivalent of \$20,000AUD. As this is considered a 'classic vehicle', it has not devalued. Customs will value the car at the purchase price (\$20,000AUD). However, as the car is more than 30 years old there is no duty to pay. GST of 10% (\$2,000AUD) will be applied.

Summary for Classic Car Import Fees:

Value = \$20,000

Duty = \$0

GST=\$2,000

Total Cost to Import = \$2,000

Everyday Vehicle: You want to import a 2008 Ford Focus that sold in the USA for \$15,000. As this is not a 'classic' Customs considers that it has depreciated to a value of \$8,000, as estimated by the Customs Guidelines. Consequently it will incur a Duty of 10% (\$800AUD).

- 1) The customs value of the car is now \$8,800 (car value + duty).
- 2) This figure is now used to calculate the GST, at 10% GST = \$880.
- 3) Total cost to import = \$800 (Duty) + \$880 (GST) = \$1680.
- 4) Summary for Everyday Vehicle Import Fees:
- 5) Value = \$8,000
- 6) Duty = \$800
- 7) GST=\$880
- 8) Total Cost to Import = \$1,680

Luxury vehicle: To calculate the luxury car tax (LCT), use the following formula:

$(\text{LCT value} - \text{LCT threshold}) \times 10 \div 11 \times 33\%$.

The LCT value of an imported car includes:

- a) the customs value (as worked out under the Customs Act 1901) of the car and any parts, accessories or attachments imported with the car and can reasonably be expected to be fitted to the car post arrival (add-ons).
- b) amounts not already included in the customs value for the international transport of the car and add-ons to Australia
- c) the amount not already included in the customs value for the insurance of the car and add-ons to be transported to Australia
- d) any customs duty payable on the importation of the car and add-ons
- e) any GST payable on the importation of the car and add-ons
- f) if the importation of the car is GST-free, an amount equal to the amount of GST that would otherwise have been payable.

LCT is charged and paid together with all customs duty charges during the customs clearance process.

Example: Jimmy imports a 1977 Ford Mustang in the 2024–25 income year. The customs value of the car is \$90,000 before GST. International shipping has cost an additional \$5,000 (inclusive of GST). GST is added to the customs value of the car at the time of import.

Calculation of LCT:

Step 1: Establish the LCT value:

1. Customs value of the car is \$90,000
2. Add GST applied at import is \$9,000 (10% of \$90,000)

3. Add import costs (GST inclusive) of \$5,000
4. \$104,000 (LCT value).

Step 2: calculate the LCT $(\text{LCT value} - \text{LCT threshold}) \times 10 \div 11 \times 33\%$:

5. $(\$104,000 - \$80,567) \times 10 \div 11 \times 33\%$
6. $\$23,433 \times 10 \div 11 \times 33\%$
7. \$7,29.90 LCT .

Compliance with Road and Emissions Standards

Another factor to consider when deciding whether to import a vehicle is that it has to meet strict safety and pollution standards for it to be given an Import Approval Permit. These include a range of requirements including but not limited to:

Seat belts, Child restraint anchor points, Personal Compliance Import Plate, Replacing the driver side door mirror to Australian standards, Emissions standards

If your car is less than 30 years old and meets all the requirements of the Department of Infrastructure and Transport, it will receive a Compliance Certificate (aka Compliance plate).

How to get a permit

To obtain clearance to bring your car to Australia (Import Approval) you will need to supply to the Department of Infrastructure and Transportation a collection of documents. These include:

Weighbridge Certificate

Engineer Certificate (for some vehicles)

Imported Blue Slip ensuring the Road Transport Authority (RTA) that the vehicle is roadworthy

RTA Visual Identification Unit inspection (for some vehicles)

The requirements for importing a car are laid out in a publication produced by the Department of Infrastructure and Transport called: Circular [0-1-2, 'A Guide to the Certification of new Vehicles- Type Approval'](#).

For more information on this, visit Vehicle Certification in Australia at the [Department of Infrastructure and Transportation](#).

Special Cars - Muscle Cars

The Department of Infrastructure and Transport and the Australian Customs Border Protection Service have strict rules about the importing of customised vehicles and restored or converted cars/bike built before 1989.

These departments are particularly cautious with respect to vehicles made more powerful than the original or do not meet emissions or safety standards. For more information on this complex issue, the Western Australian government has produced helpful [guidelines for cars with major body modifications](#).

Disclaimer: Please note that the information above was accurate at the time of writing and is provided only to give some insight into the complexity of importing. All potential importers are strongly advised to check with the department for any information not found here, or changes to any references found within this document.