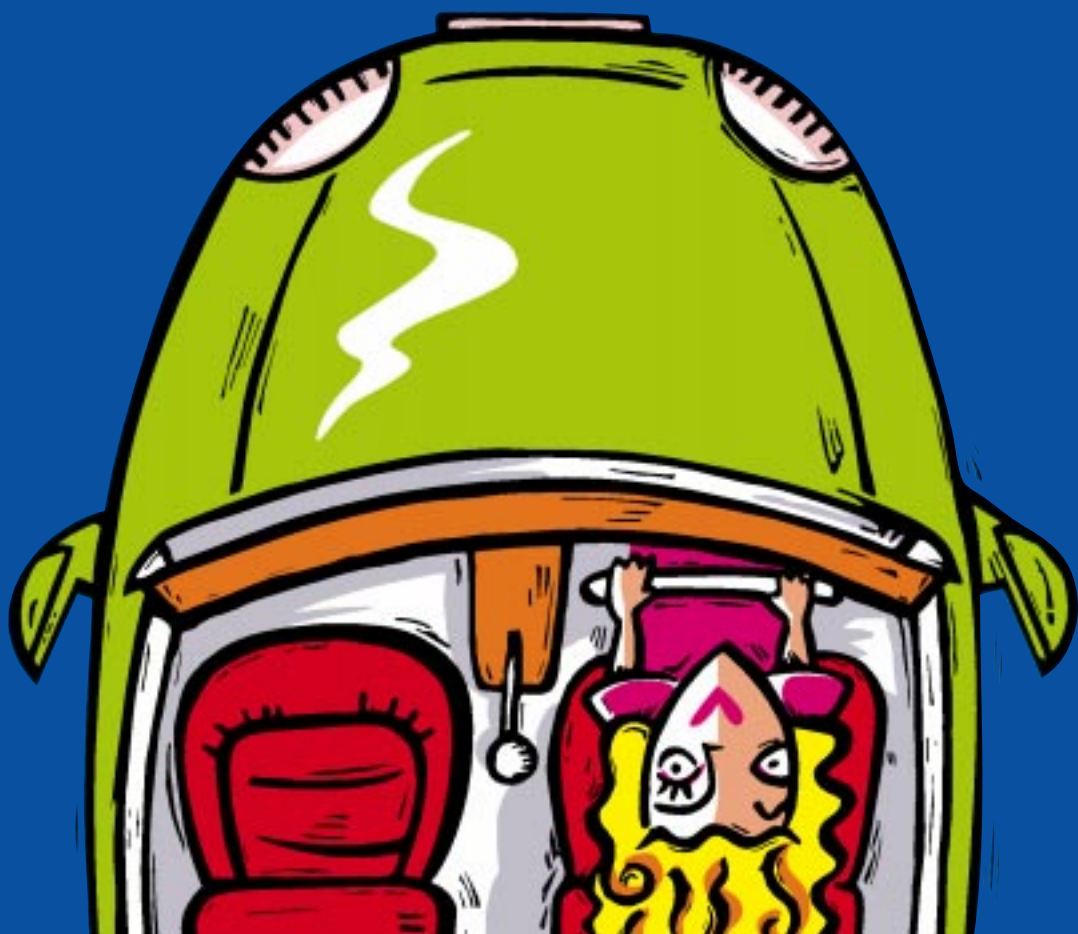


NEW EDITION

Buying a

CAR

On Your
Terms



IMPORTANT NOTICE

- **This publication is intended to help people who are considering buying a**
- **new or used car. Although it is as accurate and informative as we can**
- **make it, no person should rely on the contents without first making their**
- **own inquiries or obtaining advice from a qualified person regarding their**
- **particular circumstances and the vehicle they are considering.**
- **The publishers, editors and authors cannot be held responsible for the**
- **results of any action taken or not taken by any person as a consequence**
- **of anything contained herein, nor for any error in, or omission from,**
- **this publication.**
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INTRODUCTION

This is the third edition of the popular and long-running *Buying a Car on Your Terms* Credit Union publication. It has been completely revised and updated, to provide an even more informative and easy-to-follow guide to the smart, sensible way of purchasing a new or second-hand car.

It aims to help you buy the vehicle you want, at a price you can afford, with the minimum of hassle.

The first section is designed to assist you in choosing the type of car that best suits your needs.

The all-important financial considerations are dealt with in “A question of money”, while “Smart

buying” looks at the best way to go shopping for your car.

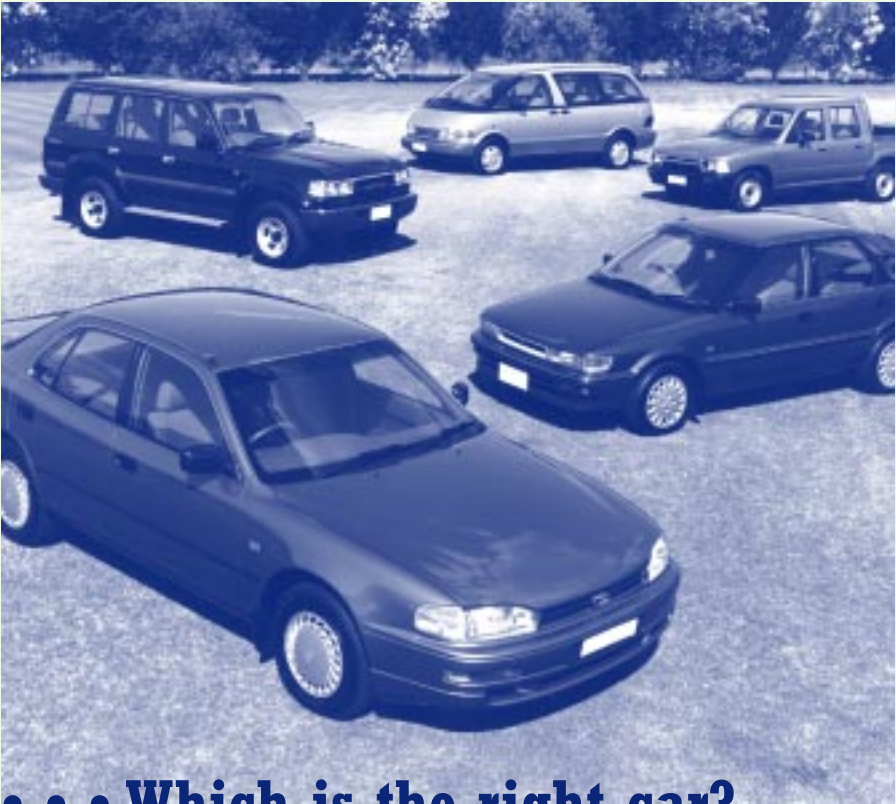
“Playing it safe” covers the checks you need to make before handing over your money, and “All the extras” discusses the myriad of options and accessories now available.

In “Vital details & contacts” you’ll find a comprehensive state-by-state listing of useful addresses, phone numbers and warranty information. But “The decision checklist” is perhaps the most helpful section of all. It summarises the key points contained in the rest of the book and allows you to easily and thoroughly compare the cars you find with your original wish list.

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• • • Which is the right car?

Cars can bring mobility, freedom and pleasure. Even people with little or no interest in motoring matters prefer the way some models look, or appreciate cars that are zippy, or smooth or cleverly designed.

Nobody is suggesting that the decision about the car you buy must be 100 per cent logical and boringly practical. But you do need a car that is within your budget and will do all the things you require of it. This might involve commuting

to-and-from work reliably and comfortably every day, making lots of long trips, towing a trailer or perhaps economically transporting three children, two pushbikes and a dog.

Smart shoppers consider all their options before starting the buying process. Here's a list of the different types of vehicles you could consider, with the pluses and minuses of each. (As with any generalisation, of course there are exceptions to these rules.)

Types of Cars

PLUSES

MINUSES

Small cars

- ✓ Usually cheap to buy, easy to park, light on fuel, less likely to be stolen.

Mid-sizers

- ✓ Good compromise between a mini and a full-size family sedan. Wide variety of body styles available (hatch, sedan, wagon), generous equipment levels offered in some models.

Family sedans

- ✓ Good value for money, good resale, easy to drive, roomy and comfortable. Good power for towing, able to move big loads.

Wagons

- ✓ Practicality: wagons are great carriers of people and luggage. Many recent models have sedan-like refinement and handling.

Sports cars

- ✓ Look great, usually handle well and accelerate strongly.

“People movers”

- ✓ Versatile, plenty of space. Height gives good driver visibility.

Off-road four-wheel drives

- ✓ Versatile, great for camping holidays, plenty of room for family and luggage. Height gives good driver visibility.

- ✗ Short on space, not always cheaper than big cars to repair or service, not always as safe.

- ✗ Some medium-size models are no cheaper to buy or run than family-size sedans, but have less room and performance.

- ✗ Harder to manoeuvre and park, heavier on brakes and tyres. Big engines usually mean big fuel bills (V8s especially).

- ✗ Often noisier than equivalent sedan. Load usually exposed to sun and potential thieves. Luggage can be thrown forward in an accident unless cargo barrier fitted.

- ✗ Short on room, usually expensive to buy, run and insure. Popular with thieves. Convertibles offer less protection in a roll-over.

- ✗ Often pricey. Many can take seven or more people or lots of luggage – but not both for a holiday. Van-based versions are rarely as safe.

- ✗ Expensive to run. Hard to park. Often noisy and unrefined. Seldom as safe as conventional passenger car.



NEW OR USED?

Most buyers would prefer a shiny new car with the latest features, but it doesn't always make financial sense. Carefully compare the advantages of a new car with an older version of the same model. "New" usually means less financial risk as the car will be under warranty for up to three years.

Most new cars are also safer and more fuel efficient than similar

models built only a few years ago. However, the depreciation is usually very high in the first year, and insurance and routine maintenance can also be costly.

With the availability of extended "factory" warranties (which is to say, optional warranties offered by the manufacturer on the same terms as the original new car warranty), it can make sense to buy a one- or two-year-old car and to pay to extend the warranty to three or more years.

Safety factors

Considering safety: Safety is a complicated area but every car-buyer should be aware of the major issues and try to make safety a major consideration.

There are many misconceptions. Some people think that because modern cars tend to crumple in an accident, this means they are less safe. The opposite is true: by crushing in a controlled manner they absorb crash energy that would otherwise be transferred to the occupants.

Not all equal: The rules are not absolute but, in general, modern cars are safer than older cars, expensive cars are safer than cheap ones, big cars are safer than small ones and sedans are safer than off-road 4WDs and vans.

Consider the points opposite:

- *New versus old:* For many years all new passenger cars have had to comply with strict Australian Design Rules relating to how they perform in crash tests. These regulations have become much tougher over the years, hence the improvements in car safety.
- *Cheap versus dear:* Although all new cars must comply with safety regulations, some designs remain inherently safer than others. Certain companies – most notably the prestige Europeans – place a heavier emphasis on safety and tend to build the cars that top independent crash surveys.
- *Big versus small:* In general, larger cars provide better accident safety than smaller ones. Exceptions include certain “people mover”, commercial and recreational/4WD vehicles. These vehicles are not always required to undergo the same crash tests as passenger cars, and some lack the safety equipment found in the most basic of new hatchbacks.
- *4WD problems:* Four-wheel drive “off-roaders” have a higher centre of gravity than passenger cars, plus tyres and suspension systems which are a compromise between on-road and off-road requirements. No “off-roader” will steer, brake or corner as safely as a well-designed sedan or wagon.



For children too

Children are extremely vulnerable in an accident – particularly if not properly restrained. Cars sold in Australia in recent years have been required to have proper anchorages for child capsules and baby seats. If you will be carrying small children, make sure the car you choose can safely accommodate them.

The environment needs protection

The environment should be considered when you buy a car. Do you really need that gas-guzzler? Is driving an old smoke-blower really saving you money – and is it fair on everyone else? Can you avoid leaded fuel?

All new cars sold in Australia after January 1986 have been designed to run on unleaded petrol to help counter the harmful effects of lead in the air. Unleaded petrol is also suitable for many – though not all – cars built before 1986. Advice on which pre-1986 models can safely use unleaded petrol is available free of charge from the Commonwealth Protection Agency, phone 1800 803 772.

A free guide which compares the fuel consumption of all new cars and light commercial vehicles is available from the Energy Division, Department of Primary Industry and Energy, phone (06) 272 5702 [(02) 6272 5702 from August 1997].

Do I need the latest safety features?

Many high-tech safety features are now available as standard or optional equipment on even low-cost cars.

The merits of better known examples such as airbags and antilock brakes are discussed in the “All the extras” section.



CHECKLIST

The right car

Ask Yourself These Questions

- 1 . Can I afford to run and maintain it?
- 2 . Is comprehensive insurance for this model affordable?
- 3 . Will this model hold its value?
- 4 . Is it going to be reliable?
- 5 . Will it seat enough people and carry a big enough load?
- 6 . Does it have sufficient power?
- 7 . Will it do all the jobs required?
- 8 . Am I going to enjoy owning it?
- 9 . Is it safe and environmentally responsible?
- 10 . Lastly and most importantly, am I letting my heart rule my head?



• • • A question of money

It is important not to over-spend when buying a car, if only because you'll need to have enough money left to maintain it properly, and to have something in hand should problems develop.

On the other side of the equation, there are strong reasons to get the best car you possibly can.

As explained in the previous section, a newer car is likely to be safer, more fuel efficient and kinder to the environment. It will also be easier to drive.

The big question is how much you can sensibly afford. The answer depends on how you go about funding your purchase...

Different ways to buy

You can buy a car by:

- paying for it with savings,
- taking out a personal loan to cover all or part of the cost,
- borrowing the money from the seller (this “dealer finance” is usually provided by an outside financial institution), or
- private leasing.

Practical advice from credit unions

Credit unions offer their members a range of loans for almost every purpose. In fact credit unions make more personal loans every year than any other financial institution in Australia. Your credit union can

help set a budget and make sure the repayments are right for you. Credit unions are member-owned organisations, so you’ll find the service personal and helpful.

EXAMINE THE WHOLE PICTURE

When buying a car, it is important to look at the whole financial equation, because the purchase price does not represent the entire cost of a car. There’s a range of other bills that you can expect either immediately or soon after your purchase.

\$ Whether you buy new or second-hand, you will encounter government charges. State governments levy stamp duty and either a registration fee or a transfer fee if the vehicle is already registered.

\$ There’s also compulsory third party personal insurance to organise and you’ll need property insurance too (the issue of insurance is covered later in this section).

\$ In certain cases, such as when a car is registered in the name of a business, fringe benefits tax may be payable. For information on this, speak to the Australian Taxation Office or your accountant.

Different types of insurance

There are four basic types of automotive insurance.

- **Comprehensive**

This covers the damage caused to your vehicle during an accident and any damage your vehicle may cause to other cars or property. Many policies include additional benefits such as a rental car while yours is off the road. Driving a car which does not have comprehensive insurance is putting yourself at great financial risk.

- **Third party property**

This covers the damage you might cause to other vehicles or property in an accident. Damage to your own vehicle, however, is not included. It's better than nothing but still leaves you exposed to losing the entire value of your car.

- **Third party, fire and theft**

A more expansive version of third party property insurance,

this will cover your car if it is stolen or damaged by fire, but not if it is involved in an accident.

- **Third party personal**

This is also known as compulsory third party (CTP) or, in NSW, "green slip insurance". It is obligatory in all states, though there are different methods of paying for it (in most states it is automatically included in registration, though in NSW you need to purchase a green slip each time you renew your rego). Third party personal insurance covers the injuries sustained by victims of an accident. It does not cover property damage and, technically speaking, doesn't cover a driver who is "at-fault". However, many companies now offer CTP policies which include "at-fault" drivers. These are well worth considering.

Drive-away?

- With new cars, there has been a trend towards
- "drive-away" prices but many advertisements still
- put "dealer preparation charges" in small print.
- The message here is simple: work out all the
- charges and make sure they fit into your total
- budget. A checklist is provided on the next page
- to help you calculate the real cost.



Credit union insurance

Credit unions offer car insurance through various organisations and helped to pioneer pay-by-the-month insurance.

The monthly payment is calculated by dividing your yearly premium by 12, without an interest charge for paying in instalments (though some credit unions might charge a small service fee). The payment is deducted directly from your credit union account. Some credit unions now offer fortnightly deduction of insurance payments.

being careful

- It is your legal obligation to fully and accurately answer all questions in the insurance application form, and to disclose to the insurer, before the insurance contract is entered into, any matter, whether specifically asked or not, that is known to you and which is or may be relevant to the insurer when considering whether to accept the risk of your policy. Failure to disclose may give the insurer the right to either avoid the policy all together or limit its obligation to pay under the policy.

CHECKLIST

Common fees and charges

This checklist will help you calculate the true purchase price of the car you are considering, while your state motoring organisation (see list on page 26) should be able to provide a guide to running costs.

Purchase price	\$	<input type="text"/>
Dealer preparation charge (new cars only)	\$	<input type="text"/>
Registration/transfer fee	\$	<input type="text"/>
Stamp duty	\$	<input type="text"/>
Compulsory third party insurance (CTP)	\$	<input type="text"/>
Car insurance (ideally comprehensive!)	\$	<input type="text"/>
Fringe benefits tax (if applicable)	\$	<input type="text"/>
Other immediate expenses (for example, new tyres or battery, next service due)	\$	<input type="text"/>
Additional options required (for example, alarm)	\$	<input type="text"/>
Extended warranty (optional)	\$	<input type="text"/>
TOTAL	\$	<input type="text"/>
LESS TRADE-IN	\$	<input type="text"/>
GRAND TOTAL	\$	<input type="text"/>



• • • Smart buying

Once you have decided what type of vehicle you want to buy, and the best way to finance it, the next obvious question is “Where to buy?”.

New cars are sold to the public exclusively by new car dealers, but there are at least four places to buy a used vehicle:

- from a private seller (whether via a newspaper advertisement or at a “car market”),
- from a used car dealer,
- at an auction,
- via a “car broker”.

A quick summation of the pluses and minuses of each option follows.

Buying privately

Buying privately is generally cheaper but it means going without a warranty unless the car is still covered by a transferable new car warranty. You can't compare a range of cars side-by-side (except at a car market) and buying privately often means trudging all over the city to see cars which don't live up to the expectations raised by the advertisements.

If buying at a "car market" – which brings together a group of buyers and private sellers – you must treat the purchase in the same way as a private sale and do all the usual checks. At a market you can do some comparative shopping, and can often do more bargaining.

Double-checking

The majority of people are honest and decent, but you must still double-check everything you are told. If a car is described as a 1990 model, for example, and the paperwork doesn't confirm this, it could have a significant influence on the vehicle's value. Also examine the logbooks or service records to confirm the car has been regularly and properly serviced throughout its ownership.

Used car dealers

If you buy from a used car dealership, it pays to go to a professional, service-oriented establishment which offers a good selection of stock and has a well set-up workshop to perform any repairs which may be required during the course of the warranty (see “Vital details & contacts” section later in this booklet).

Auctions

Unless you’re feeling very brave or lucky, it’s best to leave auctions to the pros. They involve a greater risk, since cars are sold “as is” and it’s usually not possible to perform a thorough mechanical inspection

beforehand. Another trap for new players: the purchasing decision has to be made quickly, which is rarely the best way to make it.

Car brokers

Some buyers prefer to use the services of an independent motor vehicle broker. You explain to the broker what you want and he or she finds the car and negotiates the price on your behalf. The broker can also organise a trade-in.

Vehicles bought through brokers should carry the manufacturer or dealer warranty. The broker generally receives a fee from the seller, so you pay no additional fees. Many credit unions now offer this service.

What’s it worth?



How do you know what the car you are buying or selling is really worth? Simple – do your homework. There are various car magazines which provide a guide to average used car prices, the state motoring organisations also publish data on the subject, and you can also undertake your own research by monitoring the classifieds and dealer advertisements over a few weeks to determine what the going prices are.

Trading in

There's no easier way to sell your current car than to trade it in. The downside is that you generally get less money, and the practice restricts you to buying from a dealer. However, trading-in can save time, advertising costs and the frustration of sitting around waiting for the phone to ring.

It doesn't matter how much money the dealer offers for your old car. The only thing that matters is

the changeover price. If the value of the trade seems inflated, it's reasonable to expect you could have negotiated the same amount off the price of the replacement car anyway.

Tactically it is often better to treat the two transactions as separate. Negotiate the best price on the new car – and then introduce the possibility of trading in your old car.

Negotiating

There are three things you should be when dealing with a seller: honest, friendly and firm.

Remember that a dealer is in the business of selling cars and is, presumably, good at it. Some private sellers are also pretty persuasive. But remember that it's your money and your decision. Don't be talked into something that doesn't make sense. And never allow yourself to be hassled by aggressive techniques. If you don't feel comfortable, leave. If you do stay, perform a thorough road-test, do the other checks, and start negotiating.

Buyers can be as guilty of bending the truth as anyone else. A surprisingly high number are afraid to

say "it's too dear" or "no, I'm not interested". Instead they pretend they will come back later. This is a waste of everybody's time. If you say "I like the car but unless you can do better on the price, I think I should keep looking", you may find that the seller is prepared to accept less.

Another thing worth doing is to leave your name and phone number. It shows you are serious and gives the other party the opportunity to phone you later if they change their mind about accepting a lower price.

Don't be rushed. Hasty decisions are often poor ones, and there are very few offers in the car world that won't still be available in the morning. A night's reflection can do a world of good.

Leaving a deposit

When you leave a deposit with a seller – private or dealer – it is essential to be cautious. Ideally the handover of money should follow an inspection report (in the case of a second-hand car), though obviously this can not always be arranged immediately and you may be keen to secure an option on the car.

Leave the minimum amount (never more than 10 per cent!) and make sure you get a signed and dated receipt that clearly outlines the agreement you have reached with the seller.

If you pay a deposit, request the car is not driven in the meantime. Take note of the body condition,

the mileage, the amount of wear on the tyres, the interior equipment and the compliance plate details. The old-fashioned switch (either of the whole car or just the tyres or stereo) is fortunately rare, but not unknown.

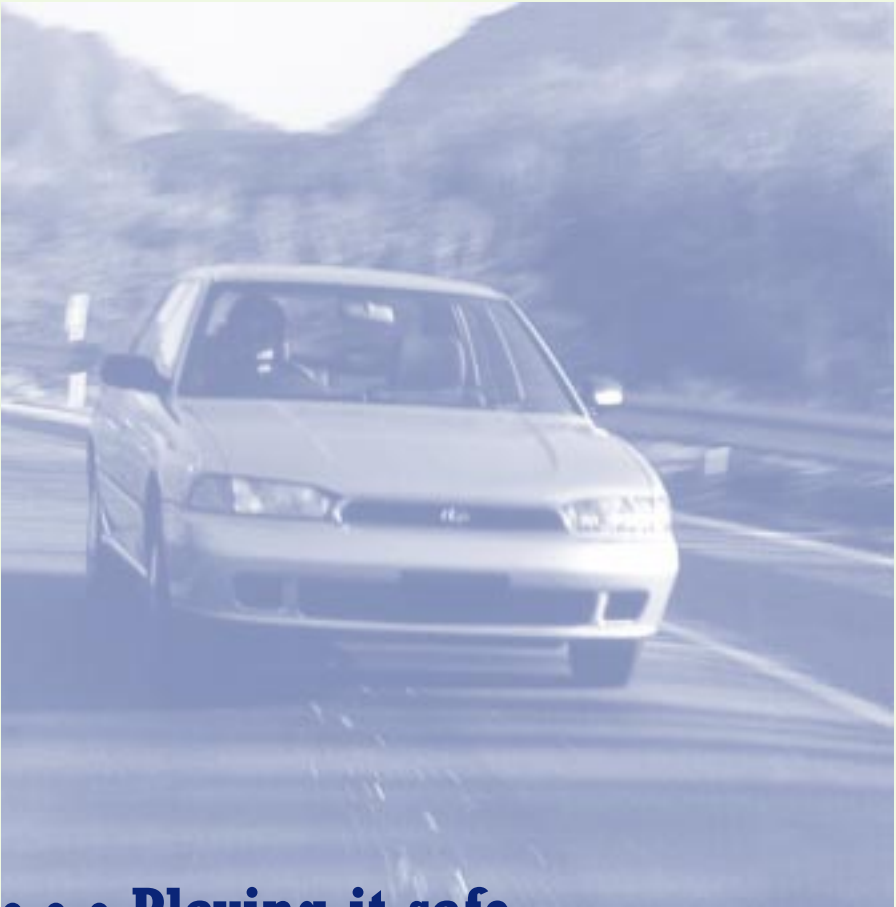
- **SAMPLE RECEIPT** • • • • •
- *“Payment of \$500, being deposit*
- *on the purchase of second-hand*
- *Toyota Corolla [add registration*
- *number] owned by [add seller’s*
- *name and address].*
- *It is agreed that [add your name]*
- *has first option to buy the vehicle at*
- *the full price of [insert amount]*
- *including this deposit, subject to a*
- *satisfactory mechanical inspection*
- *report. If the buyer considers the*
- *report is not satisfactory, the*
- *deposit is fully refundable.”*
-

CHECKLIST

Smart buying

Ask Yourself These Questions

- 1 . Have I considered all my options and shopped around?
- 2 . Have I checked the real value of the car I am considering?
- 3 . Have I done all the recommended checks on the car itself?
(see “Playing it safe”)
- 4 . Have I compared the likely benefits of selling my current car privately and trading it in?
- 5 . Have I rushed into this decision?
- 6 . If this is the car for me, can I negotiate a better price, or a longer warranty, or more accessories?



• • • **Playing it safe**

With a new car, you will be driving a “demo” rather than the exact example you are considering buying. What you are doing is trying the model for its suitability. Even though you are not checking for mechanical faults, it pays to make a thorough examination of

the vehicle’s interior and exterior to determine the quality of the model’s fit and finish. Be on guard for noises and vibrations too – if the demo doesn’t have that quality feel, there is no reason to expect the example you order will be better.

Testing Tips

- Bring with you the people who will be driving the new car or travelling in it. Get as much feedback as you can, make sure everyone fits inside comfortably and is happy. Don't just assume that the bikes will fit in the back – take a tape measure or, better still, the actual bikes.
- When you've tried the car for size, take to the road. Consider whether it has enough power. Do you feel comfortable and confident? Does it seem sufficiently refined and responsive? Does it have good all-round visibility? Is it easy to park?
- Read up on such things as the fuel economy, towing ability and the model's reputation. Ask the salesperson for the specification list. Compare it with your wish list and get a quote on any additional items you may require.
- Make sure the car you are driving is exactly the same as the model you are going to buy. If the "demo" has a different engine, transmission, or equipment level to the model you want to order, you may be disappointed.
- Find out about the service intervals, and how much it will cost to maintain the car. And get a quote on insurance before making the final decision – some cars are much dearer to insure than others.

Testing a used car

With a used car, you still need to check its suitability; therefore, many of the testing rules applying to new cars also hold true.

Before driving a used car, you can learn a lot from a visual check. Here are the main things to look for.

Compliance plate: This is a small metal plate required by law. Fitted under the bonnet, it contains various information including the all-important “Date of build”. If the plate is missing, treat the car with suspicion.

Kilometres travelled: Consider whether the distance shown on the odometer is consistent with the age of the car (about 15,000 km per year is typical for a privately owned car). Also inspect the general condition of the pedal rubbers, carpets and other high wear areas to see whether that “low kilo” car has really had a hard life.

Service history: This is a good clue to the accuracy of the odometer. Every car has a service record booklet and this should show evidence of regular servicing. The distance travelled at each service should also be filled in.

Registration: Is the paperwork in order – and in the correct name of the person selling the car to you?

Tyres: Check the tread depth. Bald tyres mean an immediate expense (if you still want to buy, negotiate a discount to cover new tyres), while tyres with uneven wear can suggest poor wheel alignment or suspension problems.

Bodywork: Carefully examine the body to make sure there are no dents. Shallow dents can often be hidden by reflections on shiny paintwork. Keep a sharp eye for signs of rust, particularly at the bottom of the doors and around the boot.

Paintwork: Look for marks, stains, chips or signs of rust. Don't be overly impressed by the gloss level – with modern polishes almost any paintwork can be made to gleam.

Under the bonnet: Just because you aren't mechanically inclined doesn't mean you shouldn't take a look! Anyone can learn something from a look at the engine bay. Is it clean or are there signs of oil or fluid leaks? Do wires and cables look frayed or not properly secured? Is there corrosion around the battery or rust in the metal work?

Consulting the professionals

Any used car you are seriously considering should be put to all the tests mentioned. When you think you've finally found the right car, bring in a professional for a second opinion. The best place to start is your state motoring organisation (see section "Vital details & contacts").

For a fee, your state motoring organisation will complete a full mechanical inspection and issue a report. Some car dealers may have already had such a report commissioned. If so, ensure that it is up to date, then study it carefully.



The thoroughness of these reports means there's virtually no car they can't find fault with. What you have got to decide is whether the listed faults are major or minor, and whether they are likely to compromise your safety, enjoyment or ability to afford to run the car. Is it still worth the price being asked?

On the road

When it's time for a test-drive of a used car, the best thing you can bring is a friend who is a mechanic. Of course, that's not always possible.

Either way, don't just drive around the block. Make sure you spend at least 15 minutes getting comfortable with the car and seeing how it reacts to different road conditions.

A car with strange handling characteristics is very likely a problem car, as is one which veers to one side under brakes or fails to pull up quickly. A noisy engine or a smoky exhaust can signal that the

engine is not properly tuned or has expensive faults. A whining noise from a gearbox or a sloshing, indecisive feel in the automatic transmission also points to problems.

Older cars usually have rattles and shakes, but severe vibrations through the steering column, or while accelerating or braking, suggest serious attention is needed.

When the engine is hot, have another look under the bonnet. Look for new oil around the engine block or evidence of other fluid leaks.

Completing the legalities

Each state has different procedures for transferring the ownership of a car. It can be a little complicated but is usually explained on the rear of the registration form. Make a checklist of what you need to do. This way you can ensure that the purchase has been completed properly and your new insurance is valid.

Legal ownership

Is the car encumbered, which is to say:

- Does the car truly and fully belong to the person selling it?
 - Is it still the subject of a financing arrangement?
 - Has it been used as security on a loan which has not been discharged?
- If so, it can be repossessed, even though you have bought it in good faith.

The place to check is through one of the registers of encumbered vehicles (REVS). These vary slightly from state to state but, in general, will provide free verbal advice as to outstanding loans or other financial encumbrances affecting any properly registered motor vehicle.

Just give them the registration, VIN/chassis and engine numbers and they will be able to check if there is money owing on the vehicle. For a small fee these registers can issue a search certificate which gives you full legal protection against repossession due to the previous owner's unpaid debt.

CHECKLIST

Safe buying

Ask Yourself These Questions

- 1 . Is the vehicle suitable for my needs?
- 2 . Do I feel comfortable and safe in it?
- 3 . Does it drive well?
- 4 . Is the price fair and reasonable?
- 5 . Is all the paperwork in order?
- 6 . Is the history of the vehicle known?
- 7 . Have I read up on the model?
- 8 . Is the car unencumbered?
- 9 . Is it of sound body and mechanical condition?
- 10 . Have I had a professional inspection?



• • • All the extras

The list of desirable accessories seems almost endless. But it pays to be careful, because you can easily increase the price of a new car by 25 per cent or more by ticking just a few of the boxes on the options sheet.

Some buyers take the attitude “it’s all going onto the same bill” and don’t carefully consider whether the accessories they specify are essential or even useful.

When negotiating, some dealers offer extra gadgets instead of a cash discount, but you might be better off with a lower overall price.

Some buyers justify things by saying “the options will add to the resale value”. But in general terms, options depreciate more quickly than the car to which they are attached.

Comfort options

An automatic transmission consumes energy and therefore fuel. Most auto cars use between 5 and 10 per cent more than the manual equivalent. Power steering also increases fuel use, though less so than an “auto trannie”.

Air-conditioning also adds to the fuel bill but can be considered as more than a luxury, particularly in the hotter parts of Australia. A cool and comfortable driver is a safer driver.

If you want power steering, automatic transmission, air-conditioning, CD player and cruise control, it is often cheaper to buy a dearer model with a higher equipment level than to specify the items separately.

Stereos and even air-conditioning units can be installed further down the track but, in most cases, safety options like airbags and ABS brakes can be specified only when the car is new.

Safety options

Airbags: These have become a popular and heavily publicised safety feature. An airbag is a concealed sack which inflates almost instantly during a crash. If your budget runs to a car with one for the driver or, better still, a second one for the front-seat passenger, it is well worth the investment. However, frontal airbags are fully effective only in a frontal collision. Side airbags (still rare) help with side impacts. You must never put a small child in a seat with an airbag, as the impact of the inflating bag can cause severe injuries.

The problem of theft

Australia's capital cities suffer from extremely high motor vehicle theft rates. Even car-owners in rural areas need to be on their guard.

You must bear this rather depressing fact in mind when choosing which vehicle to buy. You also need to make sure from day one that you have the most appropriate antitheft devices, sufficient insurance and, ideally, secure parking arrangements. Tomorrow might be too late.

What you can do: The risks with each car are different, as are the best methods of protection. Your insurance company is a good place to ask questions; some give discounts if you fit certain types of security devices to certain models.

Another good point of contact is your state motoring organisation. Its surveys should detail the most vulnerable cars and the most dangerous suburbs. This information may influence your choice of vehicle.

ABS brakes: Also known as antilock or antiskid brakes, these are now optional or standard equipment on most new cars. They work by using an electronic brain to stabilise the braking pressure at the point just before the wheels lock up. This means you get maximum braking power without skidding. With ABS brakes, a car can be steered under heavy braking, and pulled up straight on a wet and slippery surface.

High-tech seatbelts: A properly fitted seatbelt remains the single most effective safety device in any car. Many modern cars have webbing clamps to restrict belt stretch during an accident; better again are "pretensioner" belts which tighten during an accident to better restrain the occupants. Look for belts with mountings which can be adjusted for height – the better the fit, the better the protection and the greater the comfort.

CLEVER COLOURS

Colours play a significant role in safety and resale value. Of the colours commonly available, surveys confirm that white is easiest to see in bad weather and poor light, while dark blue and black are the least conspicuous.

In terms of resale value, extreme or trendy colours can look great on the showroom floor, but you must ask how many people will want this year's hottest colour in four or five years. Again white is the safe, if unadventurous, choice.

CHECKLIST

Options and accessories

Here's a list of the major options. It would be nice to have them all, but unless your budget is unlimited you will need to carefully decide which you can do without. When choosing, it's wise to give preference to safety-oriented options.

essential/preferred/not required

Driver airbag (safety)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Passenger airbag (safety)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Antilock brakes (safety)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air-conditioning (safety/comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alarm (security)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Engine immobiliser (security)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Automatic transmission (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Power steering (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Central locking (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Radio/cassette (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compact disc player (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Power windows (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Power mirrors (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cruise control (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sunroof (comfort)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tow bar (convenience)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roof racks (convenience)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



• • • Vital details & contacts

When you are buying a car there is no such thing as too much information.

For this reason, we have included a comprehensive listing of organisations able to offer help and assistance, as well as some

practical information such as used car warranties state by state.

Make good use of all the info you can get; buying a car can be an exciting and occasionally stressful procedure, but it is vitally important not to overlook the basics.

Encumbered vehicles

It pays to verify if a vehicle has money owing on it. In each state there is a body which can check this for you over the phone and, for a modest cost, issue a search certificate which gives you full legal protection against repossession by a credit provider due to the previous owner's unpaid debt.

Australian Capital Territory

REVS. Phone (02) 9600 0022.

New South Wales

REVS. Phone (02) 9600 0022.

NSW country 1800 424 988.

Northern Territory

REVS. Phone (02) 9600 0022.

Queensland

Motor Vehicle Security Register
(via Consumer Affairs).

Phone (07) 3246 1599.

South Australia

SA Vehicle Security Register.

Phone (08) 8232 0800.

Tasmania

TAS Transport Department
Vehicles Register. Phone 13 11 05.

Victoria

Vehicle Security Register.

Phone (03) 9348 1222.

Western Australia

WA Transport Department Vehicles
Register. Phone 13 11 56.

Motoring associations

Backed by government, these non-profit organisations are dedicated to helping motorists. They offer legal advice, roadside service, maps, information, vehicle inspections and many other services.

Australian Capital Territory

NRMA (National Roads and
Motorists' Association).

Phone 13 21 32.

New South Wales

NRMA (National Roads and
Motorists' Association).

Phone 13 21 32.

Northern Territory

AANT (Automobile Association of
Northern Territory).

Phone (08) 8981 3837.

Queensland

RACQ (Royal Automobile Club of
Queensland). Phone 13 11 11 or

(07) 3340 1122.

South Australia

RAA (Royal Automobile
Association of South Australia).

Phone (08) 8202 4500.

Tasmania

RACT (Royal Automobile Club of
Tasmania).

Phone 13 11 11 or (03) 6232 6300.

Victoria

RACV (Royal Automobile Club of
Victoria). Phone 13 11 11.

Western Australia

RACWA (Royal Automobile Club of
Western Australia).

General: Phone (08) 9421 4444 or
1800 198 065. Vehicle inspections:

Phone (08) 9421 4250.

Used car warranties

In all states and territories of Australia, the warranties on new cars are set by the manufacturers. These usually cover the vehicle for two or three years and include a distance proviso (usually between 60,000 km and 100,000 km). The warranty expires when the car exceeds either the age or the distance limit. No warranty covers abuse, or fair wear and tear.

If you buy a second-hand car privately you receive no warranty unless the vehicle is still covered by a valid, transferable new car warranty. When car dealers sell used cars, they are usually required to offer a limited warranty. Here are the minimum used car warranties state by state.

Australian Capital Territory

3 months/5000 km for all cars except those more than 10 years old or which have travelled more than 160,000 km.

New South Wales

3 months/5000 km for all vehicles except those more than 10 years old, which have travelled more than 160,000 km or cost more than the taxation depreciation limit (\$55,134 as we went to press).

Northern Territory

3 months/5000 km for all cars except those more than 10 years old or which have travelled more than 160,000 km.

Queensland

No compulsory warranty.

South Australia

No warranty on vehicles which cost \$3000 or less, are over 15 years old or have travelled more than 200,000 km.

2 months/3000 km for eligible vehicles costing between \$3001 and \$6000.

3 months/5000 km for eligible vehicles costing above \$6000.

Tasmania

3 months/3000 km for all vehicles except those more than seven years old or which have travelled more than 120,000 km.

Victoria

3 months/5000 km for all cars except those more than 10 years old or which have travelled more than 160,000 km.

Western Australia

No warranty on vehicles costing less than \$2000.

2 months/3000 km for vehicles costing between \$2001 and \$3999.

3 months/5000 km for vehicles costing \$4000 and above.

Motor traders associations

We all hope everything will go smoothly, but problems can arise. Sometimes they result from a simple misunderstanding and can be quickly sorted out. If you have bought your car from a dealership which is a member of the Motor Traders Association of Australia (MTA) and are unhappy, the MTA may be able to advise and help you via one of its state-based organisations.

Australian Capital Territory

MTA of Australian Capital Territory.
Phone (06) 241 6266
[(02) 6241 6266 from August 1997].

New South Wales

MTA of New South Wales.
Phone (02) 9211 4955.

Northern Territory

MTA of Northern Territory.
Phone (08) 8941 8275.

Queensland

MTA of Queensland.
Phone (07) 3844 7555.

South Australia

MTA of South Australia.
Phone (08) 8272 4444.

Tasmania

TACC. Phone (03) 6278 1611.

Victoria

VACC. Phone (03) 9829 1111.

Western Australia

MTA of Western Australia.
Phone (08) 9345 3466.

Consumer affairs departments

A last resort if you can't get satisfaction from the person who sold you the car is to contact a consumer affairs department. Departments of consumer affairs (known as "fair trading" in some states) will issue advice and can arbitrate in a dispute. In most cases there are regional offices – check in the phone book or via the state head-offices listed here.

Australian Capital Territory

Consumer Affairs Bureau.
Phone (06) 207 0722
[(02) 6207 0722 from August 1997].

New South Wales

Department of Fair Trading.
Phone (02) 9895 0111.

Northern Territory

Office of Consumer Affairs and Fair Trading. Phone (08) 8999 5184.

Queensland

Office of Consumer Affairs.
Phone (07) 3246 1500.

South Australia

Office of Consumer and Business Affairs. Phone (08) 8204 9777.

Tasmania

Office of Consumer Affairs.
Phone (03) 6233 4567.

Victoria

Department of Fair Trading.
Phone (03) 9627 6000.

Western Australia

Ministry of Fair Trading.
Phone (08) 9222 0666 or
1800 199 117.



• • • The decision checklist

The decision checklist brings together the major things discussed in this booklet.

It starts with a comparison between the car you set out to buy and the car you are now considering. The second part is a definitive “final check” to ensure

nothing major is overlooked.

Lastly, any smart shopper will look at – and consider – as many vehicles as possible. Therefore, it’s best to make photocopies of this checklist so that you can individually weigh the merits of each vehicle you see.

the **BIG** comparison

THE WISH LIST

Complete this side of the chart before starting your search

THE CAR

Vehicle brand

Type new/used

Body style

Number of seats

Year of build

Odometer reading

Transmission auto/manual

Colour

MAJOR SAFETY/SECURITY FEATURES

Tick those you require

Driver airbag

Passenger airbag

Antilock brakes

Alarm

Engine immobiliser

THE REALITY

Fill out this side when you find a car which seems to fill the bill

Vehicle brand

Type new/used

Body style

Number of seats

Year of build

Odometer reading

Transmission auto/manual

Colour

Tick those on the car being considered

Driver airbag

Passenger airbag

Antilock brakes

Alarm

Engine immobiliser

COMFORT/CONVENIENCE ACCESSORIES

Tick those you require

- Air-conditioning
- Power steering
- Central locking
- Radio/cassette
- Compact disc player
- Power windows
- Power mirrors
- Cruise control
- Sunroof
- Tow bar
- Roof racks

THE PAYMENT

- Target total cost
(calculate with chart on page 10)
- Target down-payment
(if using finance)
- Target cost per week
(if using finance)

THE WARRANTY

- Type factory/dealer
- Number of months
- Number of kilometres
- Option to extend yes/no

Tick those on the car being considered

- Air-conditioning
- Power steering
- Central locking
- Radio/cassette
- Compact disc player
- Power windows
- Power mirrors
- Cruise control
- Sunroof
- Tow bar
- Roof racks

- Actual total cost
- Actual down-payment
- Actual cost per week

- Type factory/dealer
- Number of months
- Number of kilometres
- Option to extend yes/no

CHECKLIST

Final check

Ask Yourself These Questions

If the answer to every question in the following list is a resounding “yes” then congratulations, it looks like you’ve at last found the ideal car. However, if you can’t answer positively to each and every item, our advice is to keep looking.

	yes	no
Have I shopped around and considered all of my alternatives?	<input type="checkbox"/>	<input type="checkbox"/>
Will this car do all the things I require of it?	<input type="checkbox"/>	<input type="checkbox"/>
Do I feel comfortable and secure driving it?	<input type="checkbox"/>	<input type="checkbox"/>
Does it have the features I most want and need?	<input type="checkbox"/>	<input type="checkbox"/>
Is it sufficiently safe?	<input type="checkbox"/>	<input type="checkbox"/>
Can I comfortably afford the total cost?	<input type="checkbox"/>	<input type="checkbox"/>
Is the mechanical condition acceptable?	<input type="checkbox"/>	<input type="checkbox"/>
Is the body condition acceptable?	<input type="checkbox"/>	<input type="checkbox"/>
Is the interior condition acceptable?	<input type="checkbox"/>	<input type="checkbox"/>
Is the car likely to be reliable?	<input type="checkbox"/>	<input type="checkbox"/>
Has REVS checked that there are no encumbrances?	<input type="checkbox"/>	<input type="checkbox"/>
Has the correct age been verified?	<input type="checkbox"/>	<input type="checkbox"/>
Am I sure it is the exact model it is claimed to be?	<input type="checkbox"/>	<input type="checkbox"/>
Am I paying the correct market price (or less!) for this model?	<input type="checkbox"/>	<input type="checkbox"/>
Will this car hold its value?	<input type="checkbox"/>	<input type="checkbox"/>
Will I be happy owning and driving it?	<input type="checkbox"/>	<input type="checkbox"/>

• TAKE CONTROL OF YOUR FINANCES

- More than 3.5 million Australians have chosen credit unions to help them take control of their finances. The numbers just keep growing.
- Whether it’s assistance with budgeting, buying a car, buying a home, or planning for your future, credit unions are there to help.
- Anyone can join a credit union. For further information, you can phone 13 11 28 from anywhere in Australia.

**For your
free copy of**

**“Budgeting
Making It
Easy”**

**call the
Credit Union
Hotline on
13 11 28.**



PROTECTING YOUR INVESTMENT

Once you've made your purchase, it makes good sense to safeguard your investment. This means keeping your machine clean and tidy, and having it serviced regularly.

Neglect really costs. Dirty paint will break down more quickly than clean paint, and dirt on the carpets and upholstery will create friction and hasten wear. A car which becomes shabby loses value at an alarming rate.

Don't overlook the things you can't see. Skipping servicing will almost certainly cost more in the long run and, in the meantime, you may run into brake, tyre or mechanical problems which put yourself, your family and your fellow road-users at risk.

You don't need to spend a huge amount of time fussing, but a little regular care and attention will increase safety, do wonders for your savings and – best of all – add to the enjoyment of having your own set of wheels. Happy motoring...



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