



PRESS RELEASE

Equipment distributors warn about pitfalls of buying “grey market” machines

Australia’s construction equipment distributors have issued a warning about the potential pitfalls of purchasing “new”, “unused” or low-hour – often referred to as “grey market” – equipment imported outside of authorised OEM distribution channels.

According to John Reid, CEO of the Construction and Mining Equipment Industry Group (CMEIG), these pitfalls include non-compliance with Australian safety and environmental requirements, no warranty coverage, and limited parts availability when imported machines are different to the standard Australian machine specification.

“Whether equipment buyers are purchasing direct from overseas over the internet, or at auction in Australia, it’s important to be aware of potential issues before making their final decision,” said Reid.

“OEMs (original equipment manufacturers) have a number of different machine specifications, depending on which market a particular machine is destined for.

“As a rule, machines built for the Australian market have the highest safety, environmental and machine monitoring and maintenance specifications, such as ROPS cabs, hose-burst protection, Tier II or Tier III low emission engines, and sophisticated on-board monitoring systems,” he said.

“However, those built for developing countries are often fitted with older-generation engines, hydraulics and electronics systems, and in the case of excavators – which are in the process of transitioning to international standard ROPS cabs – won’t have ROPS-compliant cabins.

“That means there is every chance that an ‘unused’ internationally sourced machine won’t have some key parts held by Australian distributors.

“In the event of a machine breakdown or component failure, the owner of such a machine may find themselves waiting some weeks or even months for replacement parts.

“This will be through no fault of the local distributor, who won’t have the parts in stock, and will have to order them in from overseas factories.”

Reid said that owners of such machines hoping to work on major projects may also find their machines won’t comply with head contractors’ and clients’ requirements – and therefore their machines are unable to get on site.

“Increasingly large contractors and government sector clients are insisting on the latest low-emission engines, and – in the case of excavators – hose-burst protection and ROPS cabs, which have only started to appear in the past couple of years.

“ROPS cabs have of course been required on other machine types for many years.

“Without things like hose-burst protection, ROPS cabs with OEM compliance plates, or the latest low-emission engines, ‘unused’ imported machine owners may find limits on where they can work,” he said.

According to Reid, even machines from New Zealand may not always comply with Australian requirements.

“There have been recent examples of ‘as-new’ excavators coming across the Tasman, including with what are claimed to be ROPS cabs.

“This is something that buyers need to look at very carefully; New Zealand has had its own ROPS-type excavator cab for many years, but this does not comply with Australian and International ISO standards.

“So a buyer who thinks they may be getting a low-cost ROPS-cab compliant excavator from New Zealand may be mistaken.”

He said CMEIG is in the process of developing a checklist for end-users who are thinking of purchasing “unused”, “as-new” or low-hour machines, either from offshore or at local auctions.

This checklist will outline important questions potential buyers should be asking before they go ahead and purchase or bid for a particular machine.

Questions to ask include:

- Make, model number, serial number and year of manufacture
- What is the claimed warranty on the machine, and is there supporting documentation?
- What is local parts availability for this particular machine (the serial number and year of manufacture can be used to request this information from the local distributor)?
- Will the local distributor provide warranty coverage?
- What safety equipment is fitted to the machine?
- If it is an excavator, does it have a ROPS cab, and if so, is there an OEM compliance plate
- What emissions standard is the engine built to?

“By asking these, and other questions, would-be buyers will get a much better idea of just how much of a bargain that seemingly low-priced machine will be, including the levels of service and parts availability they can reasonably expect over its working life,” Reid said.

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