

Question on Notice

No. 1949

Asked on Thursday 28 November 2019

MR S KNUTH ASKED MINISTER FOR TRANSPORT AND MAIN ROADS (HON M BAILEY)—

QUESTION:

Will the Minister explain why the Government is intent on slugging Queenslanders with a rise in registration and licence fees, despite the RACQ labelling the rise as outrageous and calling on the Government to freeze registration costs for three years to give Queenslanders some relief from rising living costs?

ANSWER:

I thank the Member for Hill for the question, although I do not accept its premise.

As the Member well knows, the previous Newman LNP Government mandated an annual indexation rate of 3.5 per cent across the forward estimates from 2015–16 to 2018–19, regardless of the rate of inflation.

To relieve the cost of living pressures on Queenslanders, the Palaszczuk Government announced a fairer indexation rate, which would be tied to the consumer price index (CPI) as published at the mid-year fiscal and economic review. This CPI estimation is consistent with the amount published federally. An indexation rate of 2.25 per cent was announced for light vehicle registration fees and licence fees for the 2019–20 financial year based on this fairer system.

This approach ensures the rates are forward looking, providing a more contemporary estimate of price changes in the year in which the increase is applied.

Concessions are currently offered on vehicle registration to pensioners, seniors, prescribed service persons, consular officials, people in remote areas and veterans. As at 30 June 2019, there were approximately 525,897 vehicles with these concessions, totalling \$104.6 million per year in benefits. This equates to an average saving of \$199 per concession holder.

Concessions are also offered to various groups — including charitable organisations, primary producers, local governments and historical vehicle groups. As at 30 June 2019, there were approximately 101,240 vehicles receiving these concessions, totalling \$71.3 million in benefits. This equates to an average saving of \$705 per eligible vehicle.

In this year's State Budget, the Palaszczuk Government has committed an estimated \$2.918 billion for transport concessions. This represents a \$76 million increase from the Budget commitment in 2018–19.

Registration fees fund the construction and maintenance of Queensland's 33,367-kilometre-long state-controlled road network — the largest in Australia. In this year's State Budget, a record \$23 billion was invested for transport infrastructure over the next four years.

From 1 July 2019, the total cost of registering a medium-sized four-cylinder car in Queensland, like a Toyota Corolla, for 12 months is \$737.10. This is the third cheapest in Australia, and less than New South Wales (\$905.38), Victoria (\$834.80), Northern Territory (\$762.10), Western Australia (\$768.47) and the Australian Capital Territory (\$990.45).

From 1 July 2019, the total cost of registering a Toyota Hilux in Queensland, currently the highest selling vehicle in Australia, is \$783.30 for 12 months. This is the third cheapest in the country, and less than New South Wales (\$1,323.86), Victoria (\$835.90), South Australia (\$1152.14), Western Australia (\$879.41) and the Australian Capital Territory (\$1319.60).

Annual vehicle registration fees and charges are made up of three major components — the registration fee, the traffic improvement fee and the compulsory third party (CTP) insurance premium. While the registration fee and traffic improvement fee are subject to annual indexation, CTP insurance premiums are not indexed. Instead, private insurers set the cost of CTP.

Continuing to use the former Newman LNP Government's 3.5 per cent indexation rate would have resulted in a \$13.20 increase in registration fees for a four-cylinder vehicle in 12 months. To

relieve the cost of living pressures on Queenslanders, the Palaszczuk Government announced an indexation rate of 2.25 per cent for 2019–20. In comparison, this will result in only a \$8.50 increase in registration fees for a four-cylinder vehicle in 12 months.

In relation to driver licence costs, drivers are charged the cost of producing the driver licence and maintaining the licencing system. The Queensland licencing system incorporates sophisticated technology, such as facial recognition software, and other features that make the licence extremely hard to tamper with or duplicate. These features strengthen the integrity of the licencing system.

Drivers are offered a choice of one to five-year renewal options. The choice of licence renewal ensures people can choose to renew their driver licence for a period that suits them financially.

The Department of Transport and Main Roads has a direct debit scheme which enables customers to make regular direct debit registration payments and provides a 'set and forget' direct debit payment option. Direct debit is currently available for three, six or 12-month terms, and the Palaszczuk Government has announced that we will also introduce one-month registration terms via direct debit.

For customers struggling with the cost of their registration, the Palaszczuk Government also offers a payment option called the Planned Payment Scheme. The scheme enables customers to make advance instalment payments of \$40 or more towards their next registration renewal at any Australia Post office at no cost.

Queenslanders know that the Palaszczuk Government will always stand up for them and make sure that we keep costs as low as possible while maintaining the frontline services our community needs.

With its cuts to services and the 3.5 per cent annual increase mandated by the Newman LNP Government from 2015–16 to 2018–19, it is clear that the LNP cannot be trusted when it comes to services and fees. Not only did the LNP put up registration and licencing fees by 3.5 per cent from 2015–16 to 2018–19, but it also cut frontline services right across Queensland.