



Queensland  
Government

**Hon Rachel Nolan MP**

Member for Ipswich

Our ref: MC43562

Minister for Transport

14 OCT 2009

Mr Neil Laurie  
The Clerk of the Parliament  
George Street  
Brisbane Qld 4000

Dear Mr Laurie *Neil*

I refer to a petition number 1276-09 lodged with the Legislative Assembly by Mr Murray Watt MP, Member for Everton, on 5 August 2009 about a request to reduce the cost of car registration.

This year it has been necessary to make a higher increase than normal to the vehicle registration fees to keep us on track with the government's road building program. Without the increase there may have to be a cut back on the roads program, which could result in an increase in unemployment.

Even after the increase, this government continues to invest more in Queensland's roads than it receives in revenue from motor vehicle registration. In 2009-10, Queensland motorists will pay a total of approximately \$1.2 billion in motor vehicle registration fees. However, the state will invest \$2.145 billion in planning and building Queensland's road network in 2009-10.

As you would appreciate, in order to deliver a program of this scale in the current fiscal environment, it is necessary to look at all revenue options including motor vehicle registration. The increase will raise approximately \$183 million in 2009-2010, which will assist the government in continuing to develop and build Queensland's roads.

The increase in motor vehicle registration fees, which took effect from 1 July 2009, was announced on 9 December 2008 as part of the Major Economic Statement 2008-09. The vehicle registration fee increase for 4 cylinder vehicles was 16.5% and for 6 and 8 cylinder vehicles was 20%. At that time, it was noted that the 2009-10 vehicle registration fees would also be subject to changes in compulsory third party premiums and adjustments associated with movements in the consumer price index.

In Queensland, a concession is offered to pension concession holders on their vehicle registration fee. For holders of a pension concession card issued prior to 1 July 1994, the concession benefit is a reduction in the registration fee portion to a flat rate currently \$74.00. For holders of a pension concession card issued after 1 July 1994 and for Queensland seniors card holders, the registration fee portion is reduced by 50%. The increase announced on 9 December 2008, also applies to registration concessions and has already been included in the flat rate fee of \$74.00.

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There is no exemption or reduction offered on the compulsory third party insurance premium. The compulsory third party insurance scheme is administered by the Motor Accident Insurance Commission with the Department of Transport and Main Roads acting as a collection agent on behalf of the licensed insurers.

In Victoria, pensioners receive a 50% reduction in their registration fee and the compulsory third party insurance fee. However, they are still required to pay the annual inspection fee when renewing vehicle registration. There are no annual vehicle inspections when renewing light vehicle registration in Queensland.

The department's concession package is carefully managed through an equitable distribution of concession funding to ensure the benefits can continue to be received by those who need them most. Any further reduction in registration fees for pensioners in Queensland would ultimately increase the fees for other road users.

The registration concessions afforded to Queensland residents are just one component of the economic and social goals of the concession package managed by the Queensland Government. The majority of pension concession card holders have access to a variety of concessions, which can include:

- reduction of vehicle registration fees
- bus and ferry travel
- dental
- electricity
- a comprehensive range of free basic prescriptions
- spectacles
- tuition fees at TAFE.

Concessions such as these make a significant contribution towards improving quality of life for concession holders, by reducing the cost of regular household bills and improving access to essential services, such as travel.

I trust this information will be of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to be 'R. Nolan', with a long horizontal flourish extending to the right.

**RACHEL NOLAN MP**  
**Minister for Transport**