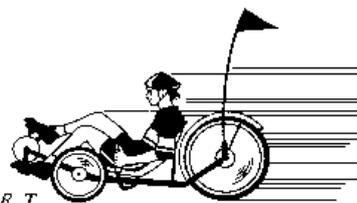


# **GREENSPEED**

Recumbent Bikes, Trikes and HPV's



A REVOLUTION IN PERSONAL TRANSPORT



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## Submission on Australia's Future Tax System

This submission contains recommendations for reducing transport greenhouse emissions and reducing road trauma, through differential taxation.

### **Present situation.**

In recent years the average weight and power of passenger cars on our roads has increased. This is quite evident by the increase in numbers of 4WD vehicles, SUVs, and a dearth of new micro cars. Thus we have the situation where the fuel consumption and the amount of CO<sub>2</sub> that the transport sector puts up into our atmosphere continues to rise. Obviously the rising cost of fuel did little to halt this rise, and the only slowing factor has been the world recession. However this will soon pass, and we will be back to raising CO<sub>2</sub> outputs. Figures on fuel consumption for cars, have not varied by much over a number years. Thus Greenspeed suggests that there are two main features of a motor vehicle which cause an increase in fuel consumption - one is weight, and the other is power. The other factor is that reports have shown that the damage to roads is proportional to the weight of the vehicle. Moreover the damage varies as the 4<sup>th</sup> power of the axle loading! Plus in the case of an accident, the amount of damage to a vehicle, property and persons, is proportion to the weight and speed of the vehicle doing the damage, and normally the one at fault. While in the past there have been different registration fees for weight and power, presently none exist in Victoria, where the registration of a 750 kg, car is the same as for a vehicle up to 4,500 kg, and no variation for power. Whereas in Queensland there is the same lack of variation for weight, but some variation for power in that 1 to 3 cylinder cars are charged the same, but there are increases at 4, 5, 8 and 10 cylinders. Likewise SA has no weight variation, and some variation on cylinder number. WA varies the charge according to weight (\$16 per 100 kg) but has no variation on power. NSW has a limited variation for weight, with a 4 step increase from 975 kg to 2504 kg, but no variation for power. All States make no variation for weight or power with the compulsory 3<sup>rd</sup> party insurance, which can amount to more than the registration fee.

### **Logic.**

Clearly there is a wide discrepancy in which way the States charge car owners for the use of the roads, and the damage they do to our environment. It does not make sense that car owner who is mindful of the environment and drives a 2 cylinder, 500 kg car, should pay as much registration as someone who drives an eight cylinder SUV weighing over 2,000 kg. In terms of the distance they travel, one could expect that they would pay for this to some extent by their fuel tax, with high

mileage drivers paying more. However, this is not enough to pay for the damage the extra weight does to our roads, and clearly not enough incentive to encourage drivers to demand, buy and use smaller cars.

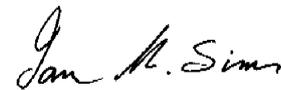
## **Recommendations.**

Thus Greenspeed recommends:-

1. The Federal Government advises the States and Territories to adopt motor registration fees and 3<sup>rd</sup> party insurance in proportion to the weight and power of the vehicle.
2. Vehicle weight should be taxed per kg unladen on the manufacturer's weight, and in the case of any dispute, a weighbridge ticket must be produced.
3. Vehicle power should be taxed per kilo watt of power on the manufacturer's power specifications, and in the case of any dispute, a certificate from a "rolling road" dynameter must be produced.
4. 3<sup>rd</sup> party insurance should be assessed according to registration fee, as a straight percentage.

While this recommendations make no allowance for new fuels or new technology, mileage marathon events have proved that with existing technology, reducing the weight and power of cars can reduce fuel consumption to less than one tenth that of normal cars.

Yours sincerely,



Ian M. Sims

Director, Greenspeed Pty., Ltd.