

Dear Madam/Sir,

I am writing to encourage the federal government to seriously consider the mechanisms available to it to encourage state governments to change the registration and stamp duty structure for motor vehicles in order to promote a more environmentally friendly vehicle fleet in Australia.

The proposal that I would like to put forward for stamp duty on transfer of title/registration is that stamp duty should not be based solely on the value of a vehicle, rather that it should be a calculated based on a combination of the value of the vehicle and environmental performance of the vehicle.

In relation to registration fees, the fees should be based on full cost recovery for state governments to provide the roads on which people drive. Current subsidies create unacceptable externalities which mean that consumers are not making the choice which results in greatest net social benefit, rather they are making the choice which results in greatest net personal benefit. I firmly believe that it is the role of the government in designing economic policy, to ensure that the overall objective of the policy is to maximise net social benefit (provided that less well of members of society are not significantly disadvantaged as a result)

I understand that the issues I raise are (arguably) outside the direct control of the federal government, however it cannot be denied that the federal government has a key role to play in co-ordinating and brokering a common way forward for the states when it comes to issues which lie outside the specific powers of the federal government under the constitution, but which are of critical national interest.

If you have any questions regarding my suggestion, please do not hesitate to contact me via return email,

Regards,

Paul Brisbane-Webb