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## News release

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# Time to Tax the Axle of Evil

Government import subsidies to 4WD manufacturers will cost taxpayers more than \$1 billion in the next eight years according to a paper to be presented to the 'Western Australia: Beyond Oil?' conference in Perth on Friday.

'The Government's own estimate is that import duty concessions offered to 4WD vehicles cost them more than \$190 million in the year 2000. Between now and 2010 that means the Government is giving up more than \$1 billion dollars. All this at a time when we are supposed to be reducing our greenhouse gas emissions,' said Richard Denniss, Senior Research Fellow at the Australia Institute.

The Government has recently announced that automobile import duties will fall from their current 15 per cent to 5 per cent in 2010. 4WD vehicles classified as 'goods carrying vehicles' are already currently taxed at only 5 per cent.

'It's a rort. According to the 4WD importers, more than 84 per cent of 4WD vehicles coming into Australia are goods carrying vehicles. A drive down any city street would suggest otherwise.'

'It is time that the Australian Government took transport and energy policy seriously', said Mr Denniss. 'Large 4WD vehicles have no place on city roads. They are a greater risk to their drivers, the drivers of other vehicles, pedestrians and the natural environment.'

'Improved visibility comes at the expense of other motorists line of sight. Rigid chassis transfer damage from the 4WD onto other vehicles. They handle badly and brake even worse. The only way they can keep up with traffic is by using wasteful amounts of fuel.'

'The fact that 4WD's are taxed at a lower rate than small passenger vehicles makes a mockery of the Australian Government's commitment to environmental sustainability. There is nothing complex about the economics of this problem, it seems that it is only politics that is standing in the way of reform.'

Richard Denniss is presenting a paper on sustainable transport policy at the Western Australia: Beyond Oil? Conference, Perth, Friday 21/2/03

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