



Minister for Transport and Main Roads

Our ref: PET35128

Your ref: A512832

23 DEC 2019

Mr Neil Laurie
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Dear Mr Laurie

I refer to petition 3249-19 lodged with the Legislative Assembly by Mrs Simone Wilson MP, Member for Pumicestone on 27 November 2019 about Queensland aged pensioners receiving free vehicle registration and driver licences.

The Queensland Government appreciates the importance of keeping the cost of living as low as possible, which is why it is committed to providing concessions to pension and concession card holders whenever possible. It is acknowledged that fees for vehicle registration and driver licences are a component of the cost of living for many Queenslanders.

It is important to note that vehicle registration fees provide essential funding for building, maintaining and managing our roads and associated infrastructure. To ensure our roads are safe and efficient for all road users, it is crucial that the Queensland Government collects sufficient revenue to fund these initiatives. In the most recent budget, the Queensland Government committed \$5.66 billion to fund concessions in Queensland, including an estimated \$185 million for vehicle and boat registration concessions for eligible customers. This represents a significant government and taxpayer commitment.

Holders of a pension concession card issued prior to 1 July 1994 receive a reduction in the vehicle registration fee component to a flat rate, currently \$92.60. For holders of a Queensland pension concession card issued from 1 July 1994 and eligible senior card holders, the registration fee is reduced by 50 per cent. The traffic improvement fee (TIF) and Compulsory Third Party (CTP) insurance premium are still payable.

These concessions must be carefully managed to ensure that benefits are received by those who need them most and limits must remain to ensure the scheme remains financially viable into the future. Any change to the registration concession scheme would need to be offset by an increase in registration fees for other road users.

When comparing the registration fees payable for pension concession card holders in Queensland to other states, consideration should be given to the full registration requirements in that state. For example, while New South Wales (NSW) does not require pensioners to pay registration fees, pensioners are still required to pay CTP insurance premiums and annual safety inspections, if the vehicle is more than five years old. In comparison, there are no compulsory safety inspections for light vehicles in Queensland. When these factors are considered, the total cost of vehicle registration for pension concession card holders in NSW is comparable to Queensland.

From 1 July 2019, the total cost to register a medium-sized four-cylinder vehicle in Queensland, like a Toyota Corolla, for holders of a pension concession card issued prior to 1 July 1994 is \$501.10. Holders of a pension concession card issued from 1 July 1994 are charged \$572.80. The total cost of registration includes the registration fee, TIF and CTP insurance. By comparison, from 1 July 2019 the total cost (including CTP insurance and other levies) to register a four-cylinder vehicle, for those entitled to a pension concession in NSW is \$533.38, in Western Australia \$611.50, in South Australia \$648.04, in Victoria \$417.40, in the Australian Capital Territory \$598.05, in Tasmania \$457.70 and the Northern Territory \$549.10.

The cost of a driver licence reflects the cost of producing it, including maintaining computer records, photographic and computer equipment. Customers have the option of a one, two, three, four or five year provisional and open licence period, allowing them to choose the term that best fits their personal circumstances. The five-year option is the most economical. This is due to the number of products and services provided. For example, a person choosing to purchase a one-year licence, will require five separate licences over a five-year period. Whereas, a person purchasing a five-year licence will only require one.

While licensing authorities in other states and territories may offer concessions, this requires the authority to recoup the exempted fees through increased charges for other customers. The methodology for determining Queensland licence fees ensures all individuals benefit from a minimal licence fee. The cost of government products and services must be covered so that services can continue to be administered and maintained.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MARK BAILEY', with a long, sweeping underline that extends to the right and then curves back down.

MARK BAILEY MP
Minister for Transport and Main Roads