



Mark Coulton MP

Federal Member for Parkes

Shadow Parliamentary Secretary for Ageing and the Voluntary Sector

Ref: sj/mc

21 July 2008

Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Re: Inquiry into the Tax Laws Amendment (Luxury Car Tax) Bill 2008

Dear Committee Secretary

I write today to make a submission for the above mentioned inquiry into the luxury car tax.

As a Member of Parliament representing a large rural electorate in NSW, I feel that it is necessary for me to comment in this issue, given that for many of my constituents owning a four wheel drive vehicle is not a luxury, but a necessity. The proposal to increase the luxury car tax on vehicles costing over \$57,000 is definitely not in the best interests of my constituents.

Many people who live in my electorate of Parkes must have a four wheel drive in order to get to work, or to get their kids to school. There are many roads in my electorate that are not sealed, and some are black soil roads which become impassable during wet weather. If residents living on these roads do not have an adequate vehicle they are left stranded when it rains.

The surfaces of other roads have cracked and dried during the drought, and can be extremely dangerous. Again, for people who need to drive on these roads a four wheel drive is a necessity.

It is also important to remember that many country roads have a lot of animal activity at night, and in most cases a large four wheel drive with a bullbar can mean the difference between staying on the road and having an accident. There are already enough deaths on country roads – we do not need to make it more difficult for families to travel safely in rural areas by increasing the costs of the vehicles they need to drive.

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Given the high need for four wheel drives in rural areas, it is fair to say that a large majority of car dealerships in my electorate rely heavily on the four wheel drive market to sustain their businesses. An increase in the luxury car tax for would have an adverse effect on them as well.

Increasing the luxury car tax by 8 per cent will hit the pockets of those people living in country areas that have already suffered enough due to ongoing drought and increased fuel prices.

I resolutely believe that those people living in rural and remote areas like my electorate should be exempt from this tax. But I also believe that any amendments to this legislation must specify geographic locations, and be absolutely watertight so that a four wheel drive owner living in the city cannot find a way to make themselves exempt.

I hope that my comments are of some value to the committee, and I trust that they will be considered during the course of the inquiry.

Should you require further information, I can be reached through my Dubbo electorate office.

Yours sincerely

Mark Coulton
Federal Member for Parkes