



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

MATTERS OF PUBLIC IMPORTANCE

New Vehicle Efficiency Standard

SPEECH

Thursday, 29 February 2024

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker	O'Brien, Ted MP	Question No.	

Mr TED O'BRIEN (Fairfax) (15:08): As is often the case when people from the coalition come to this dispatch box, I begin this debate by reaching over the aisle and saying to the members of the Labor Party who are here: thank you for being here and thank you for participating in this debate.

The minister who has been leading the charge on the very topic of this debate, which is Labor's new car tax, is a no-show. This would have to be the ninth or 10th matter of public importance that has fallen into his portfolio, but he has not shown up. I genuinely say to those members of the Labor Party here today, I recognise it is not easy to come into this debating chamber and have to defend your hapless Minister for Climate Change and Energy, who is punishing your constituents just as much as he is punishing ours. It is a reflection not so much of you good people of the Labor Party who are in this chamber but of the Labor leadership.

There are some truisms when it comes to Labor's leadership, which are that they don't tell the truth, they break promises and they love taxes. There's no shortage of taxes they've introduced. They've introduced the superannuation tax, a new franking credits tax, a tourist tax, a recycling tax, a clothing tax, an income tax, a food tax and a truckie's tax, and today we debate their latest tax: a tax on the family car and the tradie's ute. Altogether, this is a \$379 billion tax grab against the Australian people. This is what they do.

They're doing this family car tax and tradie ute tax under the guise of a fuel efficiency standard. Last year, when Labor first mooted the possibility of a fuel efficiency standard, we responded as a coalition and said we were happy to be constructive in this debate. But we said very clearly that there were three things that needed to be balanced: price, choice and emissions. Not only did Labor fail to engage with the coalition in any discussions on this measure and not only did they fail to then have any balance between price, choice and emissions; but they also have introduced a measure that will fail on each of those.

Let us start with price. This new tax will mean that the vehicles Australians love the most simply cannot meet the standards being imposed by the Labor government. And, as we know from the manufacturers, there is no chance that technology will be provided in time to ensure those standards are met. So, for Australian mums and dads and for tradies across the country, it doesn't matter if you are looking at buying a Ford Ranger, a Toyota HiLux or an Isuzu D-Max. They're the three most popular vehicles in the country, but not one of them will be able to meet the standards being imposed by the Labor Party. And we know what's going to happen as a result: prices will go up. That's why it is a tax. Those members opposite know, but, to their credit, they came in to defend the AWOL minister, who is not here to defend it himself.

I wondered if this impact was going to be true, so, last week, I took the time out and visited a Toyota dealership. I thought, 'Of all places, why not go to the seat of McMahon?' This is Western Sydney, and there are very good constituents in the seat of McMahon. But I found out that the constituents there aren't getting a fair hearing from their federal member—the federal member who happens to be missing from the chamber today and is also missing in the seat of McMahon. When I went to the Western Sydney Toyota dealership, one of the questions I asked was: what is the industry's projection for the impact of this tax on the Toyota HiLux? And do you want to know the answer? It was \$15,000 extra. That's the size of the tax on the HiLux.

We walked down and checked out the cars, and I was getting educated. I came across the Toyota LandCruiser, another vehicle that Aussies love. I asked the simple question: how much would this LandCruiser's price increase with Labor's new tax? And do you know what the answer was? It was \$25,000. This is why the minister is the dodgiest car salesman in the country. He says to the Australian people: 'Have I got a deal for you! It's called a family car tax.' But then, wait, there's more. He says, 'Actually, on the cost of running your vehicle, it's going to be cheaper by about 1,000 bucks.' I looked up the detail behind this claim that he's been spruiking, and it's based on an assumption of electricity prices coming down—how about that?—to 27 cents a kilowatt hour.

I also visited South Australia last week. If you're in South Australia, the promise from the same minister is that next year your power bills, your electricity bills, are going to almost halve. I don't know about you, but I have a memory of somebody else promising a \$275 reduction in household power bills. Lo and behold—you wouldn't believe who it was. It was the same dodgy car salesman who purports to be the Minister for Climate Change and Energy, who went to the last election promising households a \$275 reduction in electricity bills, and they've gone up as high as \$1,000. Now he's promising them a family car tax: 'It's going to be fantastic for you. For tradies, the ute tax is going to be great, and prices are going to come down.' Australians know the truth. Those in the leadership of this Albanese government do not tell the truth. They break promises, and they love their taxes.

It's not just prices. Let's go back to the other conditions we put on engaging constructively. One was choice. We know that, as a result of prices going up, everyday mums and dads across the country can't buy the vehicles they love. Tradies across the country can't buy the vehicles they need. As MPs we all struggle to get home. The odd time that I'm at home, I have the privilege of dropping my kids to school. I tell you what: mums and dads are dropping their kids to school in the very vehicles that are going to be taxed, in the midst of a cost-of-living crisis. This restricts choice for Australian consumers.

The last condition we put on engaging constructively is that this measure at least has to reduce emissions, but what we see from the industry and the dealers across the country, explaining to the Labor government that very important element of behavioural economics, is that consumers will change their behaviour at times. What's going to happen is that consumers that have petrol vehicles right now are going to keep their vehicles longer, and the longer you keep these vehicles the more they emit. After a handful of years of the coalition government getting emissions down, we now have emissions going up under the Albanese government. Why? It's because these sorts of measures fail. This dodgy car salesman who calls himself a minister promised that, by 2030, 89 per cent of all new vehicle sales would be EVs. His own department says it's not going to be 89 per cent; it's going to be 27 per cent. That is why, in an act of desperation, the dodgy car salesman is putting prices up and introducing a new tax, and Australians will pay the price.