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Mr Peter Cain MLA

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Standing Committee on Justice and Community Safety (Legislative Scrutiny Role)

ACT Legislative Assembly

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Dear Mr Cain

The Standing Committee on Justice and Community Safety (Legislative Scrutiny Role) in Scrutiny Report 21 of 4 October 2022 sought further information on the displacement of section 47 (6) of the *Legislation Act 2001* in *Taxation Administration (Amounts Payable—Motor Vehicle Duty) Determination 2022*, DI2022-179.

I thank the Committee for its consideration of DI2022-179 and provide the following comments in response, as requested.

DI2022-179 implements part of the ACT Government's Zero Emissions Vehicle Strategy 2022 to remove motor vehicle duty for the transfer of used zero emissions vehicles (ZEVs) and new ZEVs that are motorcycles from 1 August 2022 to 30 June 2026.

The *Duties Act 1999* (Duties Act) in section 208 imposes duty on the application to register a motor vehicle. Subsection 208 (3) allows for a determination of a determined rate to adopt or incorporate an instrument as in force from time to time. The subsection has an example of an instrument provided, which is the Green Vehicle Guide for motor vehicles, a copy of which is accessible at www.greenvehicleguide.gov.au.

The Green Vehicle Guide provides information on the environmental performance of light passenger and commercial vehicles sold in Australia since 2004. New data is added to the Green Vehicle Guide from authorised representatives of vehicle manufacturers every time a new vehicle is made available

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for sale in Australia to comply with the Australia Design Rules for emissions and for fuel consumption labelling under the *Motor Vehicle Standards Act 1989* (Cth).

DI2022-179 in section 5 displaces subsection 47 (6) of the *Legislation Act 2001* to state that it does not apply to the Green Vehicle Guide. Displacing the subsection is a long-standing feature of determinations of motor vehicle duty – since subsection 208 (3) of the Duties Act was implemented in 2008 and the ACT adopted a scheme that ties duty rates to the vehicles CO₂ emissions rating.

It would be impracticable for the ACT to develop and implement a similar scheme to the Commonwealth to test, review and record the emissions for every vehicle available for sale in Australia for the purpose of imposing motor vehicle duty. The duplication would be costly and is unnecessary when there is already a scheme that is fit for purpose implemented by the Commonwealth. Displacing subsection 47 (6) of the *Legislation Act 2001* is the only reasonable available option to achieve this goal and was expressly contemplated in the *Duties Amendment Act 2008 (No 2)*.

Accordingly, as this long-standing approach is recognised within the Duties Act, I do not consider it necessary to amend the explanatory statement to DI2022-179.

I trust that this response addresses the Committee's concerns.

Yours sincerely

Andrew Barr MLA
Chief Minister