



Luxury car tax

END IS NEAR?

Geoff Gwilym VACC CEO



There's something you may not know about Luxury Car Tax (LCT).

You have probably heard the Howard Government introduced the levy to encourage buyers to purchase locally manufactured cars instead of imported 'prestige' vehicles.

But that's not true.

In fact, LCT came into effect on 1 July 2000, as part of the GST transition, as a replacement for a 45 per cent wholesale sales tax that applied to luxury cars.

Prior to that, buyers also had to pay 22 per cent tax on non-luxury cars.

The government removed both taxes when it introduced GST, but then tipped LCT on top of GST for luxury car buyers. The idea was to effectively reduce what would have been a larger tax benefit for people who could afford to buy expensive cars, as opposed to those that couldn't.

The media reported the tax was designed to protect local car manufacturing. This wasn't the case, even though LCT may have had some effect.

Today, LCT is charged at 33 per cent on the proportion of a vehicle priced over \$71,849 or \$84,916 for vehicles categorised as 'fuel efficient' – that is using less than 7.0L/100km.

It's one of the laziest taxes in Australia which vacuums up something in the order of \$1 billion annually for the Federal Government.

Keep in mind there's no luxury tax on diamonds or yachts or watches, as if the GST on expensive items isn't enough.

VACC has called for the removal of this dud tax for years.

Ironically, recent calls by the European Union (EU) to have LCT removed as part of a trade deal may give us the result we have been after.

The EU says it's not fair to load additional taxes on their vehicles at the point of sale.

We agree.

Prepared by Victorian Automotive Chamber of Commerce



Congratulations to Ford on the bold move to put a petrol engine in the Ranger Raptor, not a diesel. So come on Toyota: show them who's boss and bring back the 4.0-litre V6 petrol and turbocharge it. Not everyone loves diesel. Vivian Geyer, email

Hate to be the party pooper, but it's more likely Vladimir Putin will win a Nobel Peace Prize. Hybrids, fuel-cell and battery electric are the HiLux's future. The Ranger Raptor's 292kW/583Nm 3.0-litre twin turbo V6 feels like one of the petrol engine's last hurrahs and what a way to bow out. It pulls and roars like a race truck and reminds us what we'll miss should internal combustion go the way of the dodo.

CERAMIC CHARLATANS?

I splurged on paying my lease company to organise ceramic coating on my new car. The ongoing hydrophobic properties and additional surface hardness appealed, plus keeping it cleaner for longer. Now I have it, how can I tell if it's actually on and effective? It's invisible. Water beads off the bonnet, but road dirt on the side doesn't simply wash away with a hose as I was expecting. Are my expectations too high?

Jim Kefaloukos, email

Are you questioning if the lease company actually sorted ceramic coating once you'd paid for it? If so, insist they tell you which product, who installed it and the warranty. There are numerous ceramic coating solutions on the market, and like most things in life, prices and quality vary. I've seen prices from \$500 to \$5000. A colleague with a ceramic coated car told me: "Grime is going to stick no matter what – tar is visible down the side of my car. The difference is it comes off with a basic sponge wash so you don't need additional products like a clay bar. Body maintenance is simpler." He added if water beads on your bonnet, the hydrophobic reaction is happening.

BEEP TEST

I'm love my 2022 Subaru Forester, but it's taking a while to learn all its features. Four owner's manuals is daunting. One problem I can't solve is the adaptive (radar) cruise

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control. When it locks on to a car in front it beeps; when it loses contact it beeps, then beeps again when it next locks on. Some YouTube videos say you push a certain button, but it's not working for me. It is spoiling my appreciation of the car.

Rob Carter, email

I've just tested the Subaru WRX with the same tech as your Forester, and I agree, the radar cruise control's beeping is distractingly annoying. Blessedly, I managed to turn it off. Make sure the ignition is on but not the engine, and keep it in Park. Go into car settings in the screen's menu and there should be a "lead vehicle acquisition beep" toggle to turn off. Frustratingly, it defaults to on again when you next start the car. If you have no joy, go to your Subaru dealer and insist they show you the method.

BY THE BOOK

Re: owner's manuals, my \$70,000 2020 Jaguar E-Pace lacks a printed one. The downloadable one isn't user friendly and the graphics are abysmal. Descriptions of various functions assume the driver is fully aware of all the machine's capabilities already.

Paul Carpenter, email

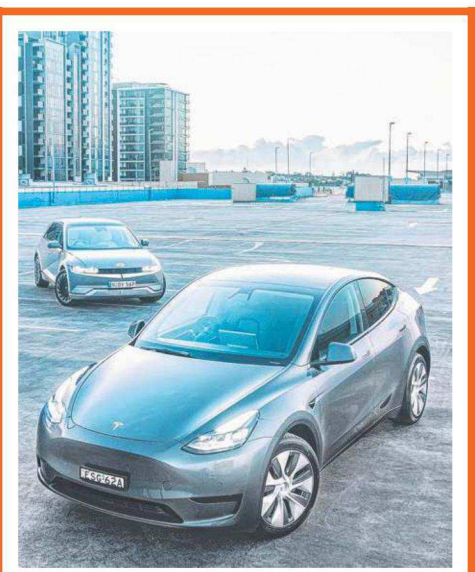
These days, I find YouTube tutorials far more useful than referring to an owner's manual – printed or PDF.

IMPOSSIBLE SEARCH

Re: digital owner's manuals, they're in PDF form and therefore not searchable. Imagine having to rifle through 500 pages on a mobile phone. Paper copies please!

Peter Ross, email

Smartphones can search PDFs, you just need to launch your PDF reader. Or download the Adobe app. This gives you a "magnifying glass" text search.



LIFE EXPECTANCY

Considering the current electric vehicles hysteria, can you clear up my questions? What percentage of battery capacity is lost every year, and what lifespan do they have? Do batteries lose charge if they're not driven? I understand EVs lose about 30 per cent range in three to five years.

Peter Bretschneider, email

That 30 per cent loss figure is incorrect. Electric car batteries do degrade over time and use, but their cells are far more durable than, say, your smartphone's. Car companies guarantee battery life. Tesla's is eight years with a 70 per cent retained capacity guarantee; Nissan does eight years and 75 per cent; Mercedes and Jaguar are eight years and 80 per cent. A lithium-ion battery pack loses charge if the EV is not driven, but it's minimal. Figures suggest around 3 per cent per month, but variables such as ambient temperature affect it.

DOUBLE DOWN

Re: "Outta Gas", instead of Ian Ross giving up his LPG Ford Falcon if gas is sometimes hard to find, why not fit a second LPG tank as a solution? If he only carries tools there should still be space. A full fill of two LPG tanks when available should overcome the problem.

John Kellett, email

It'd be a few grand to fit another tank, and while it'll double his LPG range, if gas is out of stock for an extended period he's not really improved his lot. Sadly, I fear getting hold of LPG is only going to get harder, so it's not really future-proofing his Falcon.

OFF AND ON AGAIN

Re: touchscreens failing, a friend's Ford's screen died and he was quoted hundreds for repair. A specialist told him to try disconnecting the car's battery completely for a few minutes. He did so, the screen came back to life and hasn't failed since.

Peter Brett, email

Disconnecting the battery will have reset/rebooted the infotainment. The same can typically be done by pressing and holding a button or buttons (like the on/off switch) for about 10 seconds. Each car's reset is different, so refer to the owner's manual or look for an online tutorial.

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