

MEDIA RELEASE

22 November 2020

Road user charging announcement highlights need for national consistency

Australia's peak motoring group again calls on the Federal Government to lead taxation reform and ensure a nationally consistent road user charge for electric vehicles.

The Australian Automobile Association (AAA) has long advocated that electric vehicles be brought into the tax system - initially at a discounted rate to avoid disincentivising their take-up - and recommends governments apportion collected revenue to programs that assist the roll out of ultra-low fuel consumption technologies and infrastructure.

Yesterday's announcement by Victoria that it will join South Australia and possibly New South Wales and go its own way to introduce a new charging regime for zero and low emission vehicles is another step in the right direction, but the AAA warns Australia needs a new national model for funding transport projects.

AAA Managing Director, Michael Bradley, said: "The technological shifts we're seeing in the car market are good for consumers and the environment, but they are also going to significantly undermine the federal budget and its reliance on fuel excise revenue to fund transport projects."

"The Federal Government must step in and ensure tax changes are nationally consistent, equitable, and progressed in a manner that does not disincentivise technological transition."

October's federal Budget shows Australian motorists will pay \$49.3 billion in fuel excise over the next four years, and the average Australian household will contribute \$1,188 in fuel excise alone this financial year.

Mr Bradley said: "The Victorian and South Australian governments deserve to be congratulated on taking a position of leadership and for taking on a tax reform that has for too long sat in the too-hard basket."

"They join international jurisdictions such as California, Utah, Oregon and Washington, which are already either implementing or trialling road-user charging systems that incorporate electric vehicles."

A survey conducted by the AAA this month shows 79.9% of Australians agree that owners of electric vehicles should contribute towards the costs of the nation's roads in some way, with a similar proportion agreeing that a new road user charge should be at a rate that does not discourage the uptake of electric vehicles.

The AAA's constituent clubs – NRMA, RACV, RACQ, RAA, RAC and RACT – are major investors in EV recharging networks.

Media contact: Jake Smith

jake.smith@aaa.asn.au

0403 466 153