

MEDIA RELEASE

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South Australia's motoring tax reform welcomed

Australia's peak motoring group says South Australia's move to bring electric vehicles into the tax system is a step in the right direction, but one which will require a national approach to ensure consistency and fairness. The Australian Automobile Association (AAA) has long argued that Australia needs a new way of funding transport projects, as technological shifts reduce fuel excise revenue.

AAA Managing Director, Michael Bradley, says the South Australian government is right to start this transition by focussing on electric vehicles, just as many other jurisdictions are around the globe, but cautioned that the federal government needs to play a co-ordinating role to ensure drivers are treated consistently across the nation.

"The South Australian Government deserves 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," Mr Bradley said.

"Ensuring all drivers contribute to the transport projects we all need makes our tax system more sustainable and more equitable, however a state-by-state approach to what in reality is a national road network and a national market, brings risks. Inconsistent approaches risk unnecessary cost, inequity, and confusion.

"This is a critically important reform and one that the federal government needs to take an interest in to ensure changes are made consistently, equitably, and in a manner that does not disincentivise technological transition."

South Australia will join US states of California, Utah, Oregon and Washington, which are already either implementing or trialling road-user charging systems that incorporate electric vehicles.

October's federal Budget shows Australian motorists will pay \$49.3 billion in fuel excise over the next four years, which will fund roads and other land transport infrastructure.

The AAA advocates that electric vehicles be brought into the tax system initially at a discounted rate to avoid disincentivising their take-up, and recommends governments apportion revenue from any electric vehicle road-user charge to future programs that incentivise development and roll-out of ultra-low fuel consumption technologies and infrastructure.

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

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The Australian Automobile Association is the nation's peak motoring body, representing Australia's state-based motoring clubs and their 8 million members. The AAA is an apolitical and technology-neutral advocate for federal transport policy that improves safety, affordability, and mobility.

