

MEDIA RELEASE

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Proposed new tax on EVs would put wheel clamp on NSW's clean future

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Applying a 'road user charge' to electric vehicles, at a time when other wealthy nations are using their tax systems to encourage EVs, would put New South Wales at odds with the rest of the developed world, according to the Electric Vehicle Council.

A recommendation to design a 'road user charge' is outlined in the newly released NSW Federal Financial Relations Review. Electric Vehicle Council CEO Behyad Jafari said there were a broad range of reasons the idea was a dud.

"Australia has even more to gain from EVs than most other nations given the fragility of our fuel security. But instead of helping drivers fill up on local electricity, this Review proposes discouraging the use of EVs on NSW roads. It's a very, very strange recommendation," Mr Jafari said.

"A road user charge is one of those ideas that seems to make sense until you think about it. If fuel excise revenue is decreasing it might seem logical to start introducing a tax on cleaner vehicles. But just whacking a big new tax on EVs makes no sense.

"The tax shortfall from fuel excise could be filled literally any other way. If government revenue from cigarette sales falls, it's not logical to just whack a big new tax on nicotine patches. Sometimes you have to let the solution take hold because of the benefits it delivers.

"Perhaps at some point down the track it would make sense to apply a tax on vehicles to pay for roads. But applying such a tax on EVs, at a time when New South Wales badly lags the rest of the world on EV uptake, would be very foolish.

"To be fair, I think the New South Wales Government appreciates this reality. But for an independent review to issue a recommendations who's only advantage is political expediency, is very odd.

"Combustion engine vehicles cost our economy billions each year, primarily through the health costs associated with respiratory illness. We kill more people with exhaust pipes than we do with crashes.

"We know from surveys that Australians want to drive cleaner, greener vehicles. But they won't do so until they know their governments support them. A road user charge would send precisely the wrong message.

"What it would mean, in practice, is that even fewer of the world's best and most affordable EVs would ever reach NSW roads. Car manufacturers are already loathe to bring the best EVs in their range here, because of Australia's lack of fuel efficiency standards. This kind of tax would exacerbate the problem considerably."

Behyad Jafari is available for interviews and can be contacted directly on 0431 549 220 or ceo@evc.org.au