

27 April 2021

Louise Staley MP
Shadow Treasurer of Victoria
Via email: louise.staley@parliament.vic.gov.au

ZERO AND LOW EMISSION VEHICLE DISTANCE-BASED CHARGE BILL 2021

Dear Louise

Thank you for your email of 9 April 2021 requesting a submission on Victoria's Zero and Low Emission Vehicle (ZLEV) Distance-based Charge Bill 2021.

By way of background, RA is the peak body for roads within an integrated transport system, representing an industry that contributes \$207 billion annually to the economy and supports 1.3 million jobs.

As infrastructure becomes increasingly sophisticated, our approach to generating the revenue required to pay for our road network has remained unchanged. RA considers the Bill as a positive step towards creating a fairer, transparent user-pays road system. This was also highlighted in RA's November 2020 [media release](#) in response to South Australia's proposed electric vehicle charge.

While the suggested charge is modest – 2.5 cents/km for electric and zero emission vehicles, and 2.0 cents/km for plug-in hybrid vehicles – RA is pleased the Victorian Government is continuing to encourage the uptake of ZLEVs with discounts on stamp duty and registration. Equally important are its investments in charging infrastructure.

Fuel excise was always intended to fund the construction and maintenance of our road networks. However, as vehicles have become more fuel efficient, the proportion of revenue generated by fuel excise has fallen.

The Commonwealth Parliamentary Budget Office has published research noting that revenue from fuel excise declined from 1.6 per cent of GDP in 2001/02 to 1 per cent in 2016/17. Unless this decline is addressed, Australia faces the prospect of being unable to pay for the delivery and maintenance of necessary modern road infrastructure.

What is occurring in Victoria, South Australia and New South Wales is a welcome step in the required evolution of our road user charging regime, moving away from blunt instruments (such as fuel excise) towards a whole-of-market model that strengthens the links between road related revenue and road related expenditure.

With three states already moving on this question, it is clear the momentum for road charging reform is building. That impetus is an opportunity for all governments to pursue the development of a fair, nationally consistent road user charging model capable of supporting efficient, safe and sustainable road infrastructure.

Should you wish to discuss this matter, I can be contacted on 0418 627 995 or michael@roads.org.au.

Yours sincerely



Michael Kilgariff
Chief Executive Officer