



Media release

For immediate release

Halving fuel excise comes with costs - AEVA

The Australian Electric Vehicle Association (AEVA) has questioned the Federal Opposition's recent announcement to halve fuel excise if elected. The fuel excise of 50.6 cents per litre is levied on fuels burned for transport on public roads, and generates around \$10 billion in revenue for the Commonwealth each year.

Fuel excise revenue will decline as Australians choose to drive more efficient vehicles, particularly hybrids and electric vehicles (EVs). However, AEVA warns that slashing fuel excise would not only limit a key revenue stream used to fund government services, the cheaper fuel will actually result in *more* kilometers being driven, and act as a disincentive to buying fuel efficient or electric vehicles. It is estimated that vehicle pollution causes more than 11,000 premature deaths each year.

"As a cost-of-living relief measure it might prove popular in the short term, but delaying the switch to electric vehicles only costs you, our fellow citizens, and the planet in the long run", says AEVA President, Dr Chris Jones.

Fuel excise has been decoupled from road expenditure for decades, but still functions as the user-pays component of motoring, keeping check on how much, and what kind of transport people use. The AEVA has long argued that a fairer, and more accurate approach would be to implement a universal road user charge (RUC) which factors in the mass of the vehicle as well as distance driven.

"If you're going to deliberately reduce fuel excise as a cost of motoring, you better have a universal, mass \times distance road user charge ready to replace it" Dr Jones said. "There is a need for road costing reforms. We just want to ensure that it's fair, doesn't discourage EV ownership, and doesn't perversely result in more fuel being burned on our roads and more people suffering ill-health."

Dr Jones says EVs will still end up being cheaper to own and operate, and are the lowest cost option for households who rely on cars for their transport needs.

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About AEVA

The Australian Electric Vehicle Association (AEVA) LTD is a volunteer-run, not-for-profit organisation dedicated to the cause of switching Australia's transport networks to electric drive as quickly as possible. Formed after the oil price shocks of 1973, the AEVA is the longest continuously running EV society in the world. We represent all EV users and enthusiasts; current and prospective.

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