

FREQUENTLY ASKED QUESTIONS

ROAD USER CHARGING AND ULTRA LOW EMISSIONS VEHICLES

DOES THE NRMA SUPPORT ROAD USER CHARGING AND ULTRA LOW EMISSIONS VEHICLES?

The NRMA is supportive of bringing forward the evolution to cleaner and more efficient vehicles and transitioning to a Road User Charging system to improve consumer equity and road network efficiency.

As all vehicles progressively become more efficient, the opportunity to consider how we better fund, finance and pay for roads and transport infrastructure will become increasingly important.

WHAT ARE ULTRA LOW EMISSIONS VEHICLES?

Ultra Low Emissions Vehicles or 'ULEVs' include Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs) and Fuel Cell Electric Vehicles (FCEVs).

ULEVs provide a range of benefits, including lower vehicle emissions and better air quality; ULEVs also reduce our reliance on importing liquid fuel from overseas markets.

WHAT IS ROAD USER CHARGING?

Road User Charging is a more progressive and dynamic way of charging drivers for the use of roads, and places a greater emphasis on the pricing concept of 'User Pays'.

The 'User Pays' pricing concept currently underpins how charges are applied for water, gas, electricity and telecommunications usage.

Once recognised, a distance-based Road User Charging system could be evolved to consider further use factors to improve equity and road network efficiency, including location, time of day and vehicle type; price adjustments could also be considered over time and as required to ensure sustainable funding for roads and transport infrastructure and maintenance.

WHAT ABOUT CURRENT ROAD CHARGES?

The current federal excise on petrol and diesel (42.3 cents per litre) is a suboptimal tax, with the large majority of collections directed to general government revenue; state and territory registration and stamp duty charges are similarly suboptimal given their fixed structure, and are inconsistent across jurisdictions.

Provided that consumer equity is improved and no additional impost is placed on ULEVs, the NRMA is supportive in principle of reforming how we fund, finance and pay for roads and transport infrastructure with a greater emphasis on the pricing concept of 'User Pays'.

CAN ULTRA LOW EMISSIONS VEHICLES AND ROAD USER CHARGING BE ADOPTED SIMULTANEOUSLY?

Supporting a transition to a Road User Charging system and ULEVs concurrently is achievable if governments work together and acknowledge the economic and societal benefits of ULEVs as part of any reform agenda. An approach to Road User Charging that encourages the purchase of cleaner and more efficient vehicles will lead to economic, environmental and consumer benefits.



HOW COULD ROAD USER CHARGING BE PROGRESSED?

Acknowledging the benefits of ULEVs, as well as the fact that road-related revenue is increasingly becoming an own-source revenue stream for state and territory governments, transitioning ULEVs to a Road User Charging system based on distance travelled in the first instance could underpin a broader and longer term reform agenda, supporting a move away from suboptimal fuel excise, registration and stamp duty charges.

Transitioning ULEVs to a Road User Charging system should initially incentivise uptake, particularly in the mass market; this first phase of a longer term reform agenda could be enabled by replacing government registration and stamp duty charges at the state and territory level – effectively administering a ‘tax switch’.

This approach places no additional impost on ULEVs in the short term while purchase prices remain high, and does not preclude a cross-jurisdictional commitment to ensure national consistency and simplicity; a nationally consistent approach to this type of reform is preferred and encouraged.

A trial or pilot of this type of model on a voluntary, opt-in basis would be supported by the NRMA.

WILL ROAD USER CHARGING IMPACT THE CONDITION OF ROADS?

Road-related income and expenditure is currently disparate, inequitable and unsustainable, with the fixed structure of several systems placing constraints on network optimisation.

A comprehensive Road User Charging system will ultimately offer the opportunity to better consider how we fund, finance and charge for roads and transport infrastructure, improving equity and sustainability.

DO ULTRA LOW EMISSIONS VEHICLES CURRENTLY PAY TAX?

Given their current high purchase prices, ULEVs contribute significantly to government revenue through a combination of GST, LCT, stamp duty and registration; transitioning to ULEVs also shifts consumer fuel spending towards Australian-made energy, supporting Australian industry.

WOULD APPLYING A NEW TAX IMPACT CLEANER VEHICLE PURCHASES?

Any potential new or additional impost on ULEVs in the short term would be counterproductive to existing government policies, and would act to discourage the purchase of cleaner and more efficient vehicles.

Given current market conditions, government projections, independent modelling and Member feedback, the NRMA supports the development of beneficial technology over the application of taxes.

WHAT CAN WE DO TO ACCELERATE THE ADOPTION OF ULTRA LOW EMISSIONS VEHICLES?

Governments across Australia have implemented a number of NRMA policies in recent times designed to support the transition to ULEVs, however more needs to be done in the immediate term to ensure we are not left behind in this imminent shift to newer and more beneficial technologies.

Putting downward pressure on initial purchase prices while investing in supporting infrastructure will encourage more motorists to consider ULEVs. Addressing high purchase prices compared with overseas markets and tackling range anxiety continue to be priorities for the NRMA.