



3 March 2021

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Members

RE: COAG REFORM FUND AMENDMENT (NO ELECTRIC VEHICLE TAXES) BILL 2020

Thank you for the opportunity to contribute to the Senate Standing Committees on Economics inquiry into the *COAG Reform Fund Amendment (No Electric Vehicle Taxes) Bill 2020*. As an organisation introducing electric vehicles into the Australian market from 2021, we are actively involved in the zero-emission transport sector and support any measure that prevents the stifling of this industry while still in its infancy.

Headquartered in the United States and with operations in Australia, Europe, Singapore and China, Hyzon is a leader in hydrogen mobility with an exclusive focus on hydrogen in the commercial vehicle market. Utilising our proven and proprietary hydrogen fuel cell technology developed over two decades, we produce zero emission heavy duty trucks and buses for customers across North America, Europe, Asia and Australia.

The company is contributing to the escalating adoption of hydrogen vehicles worldwide through our demonstrated technology advantage, leading fuel cell performance and history of rapid innovation. We expect to serve a significant share of this global demand with our expected turn-key capacity to be more than 40,000 fuel cell vehicles annually from 2025.

Hydrogen mobility for the Australian commercial vehicle sector holds enormous potential as fleets look to smoothly transition from fossil fuels to clean energy solutions that decarbonise their operations. This is strengthened by the Australian Government's commitment to position the country as a hydrogen superpower, supplying clean energy to international markets and thereby improving the economics of domestic hydrogen as a transport fuel.

As the hydrogen mobility sector is still at a nascent stage in Australia, it is essential this technology is not unfairly penalised through the application of taxes, charges and levys. We are concerned the sector could be stifled should premature state-based electric vehicle road user taxes be introduced.

While we acknowledge that announcements made by state governments are primarily targeted at road user taxes and charges on passenger vehicles, this will have an impact on the commercial vehicle sector given shared infrastructure opportunities. There is also a risk they could be applied to commercial vehicles in future. This would counter international approaches where concessions for zero emission heavy vehicles are increasingly common, for example Switzerland where road taxes are zero for zero-emission trucks, which nearly equalises the costs per kilometre compared with diesel.

Should these state proposals proceed, Australia would be the first market in the world to discourage electric vehicles with a new tax, rather than encourage them with incentives. The priority for governments should be focusing on accelerating electric vehicle uptake rather than stifling it with new taxes.

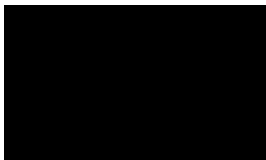
In an environment where fleets are highly sensitive to their total cost of ownership while facing a pressing need to decarbonise, it is critical that zero emission vehicles present an attractive economic proposition to facilitate a shift away from fossil fuels. New taxes will impact upon the competitiveness of zero emission vehicles and hinder their growth.



Hyzon therefore supports the *COAG Reform Fund Amendment (No Electric Vehicle Taxes) Bill 2020* as a means to address any state-based actions to introduce discriminatory taxes and charges on electric vehicles.

We thank the Standing Committee for the opportunity to contribute to this inquiry. Should you have any questions regarding this letter, please contact the lead of the Hyzon Zero Carbon Alliance, [REDACTED] by email on e: [REDACTED]

Yours sincerely



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