

17 August 2022

Committee Secretariat
Senate Standing Committees on Community Affairs
Parliament House
Via: economics.sen@aph.gov.au

re: Submission Treasury Laws Amendment (Electric Car Discount) Bill 2022

Dear Committee

UnitingCare Queensland provides health, aged care, disability and community services to over 430,000 Australians a year as the largest Queensland based not-for-profit employer with 16,500 staff, 9,000 volunteers. UnitingCare Queensland has over 65 years experience providing in-home care to our older Australians, running 57 aged care facilities as one of the largest aged care providers in Queensland and the Northern Territory and running four private hospitals with over a thousand beds and 9% of the Intensive Care Unit capacity in Queensland.

To support our services, UnitingCare Queensland has a 2,000+ vehicle fleet of which over 50% are passive electric hybrids. As a mission driven organization, we have a 2025 strategy to transition to 100% of our fleet to hybrid and electric vehicles and a 2030 target to have over 500 Electric Vehicles (EVs). UnitingCare Queensland commends the Federal Government on setting a minimum of 43% net emissions reduction target by 2030.

UnitingCare Queensland's fleet modelling indicates ***the hold time for EVs (including PHEVs) is six years to be commercially viable compared to three years for petrol / (passive) petrol-hybrid vehicles.*** If the Government wishes to drive significant uptake of EVs by changing organisational behavior that incidentally will also increase EVs in the second-hand market (as fleets comprise over 50% of vehicles), ease cost living pressures for health and aged care workers (the cost of holding a car is over \$10,000 after tax dollars according to RACQ), and reduce our environmental impact by reducing the amount of vehicles held in Australia, **UnitingCare Queensland recommends that the Government provide financial certainty to organisations through amending the legislation to provide a grandfathering clause to allow any EV's in-fleet by 30 June 2026 to have the full EV FBT exemption grandfathered until 30 June 2032 or later (if the exemption is withdrawn or wound down).**

UnitingCare Queensland calculates by adopting this recommendation, we know that at least 600 of our employees (1/3 of our fleet) and up to 1,000+ employees across our Aged Care, Health and Social Service areas would benefit from this measure that will help us to retain our most valuable asset, our staff and it will then predominately benefit our nurses and personal carers. In addition, the adding of certainty to the FBT exemption, means we can

fast-track our adoption EV's which will help achieve emission reductions faster. The cost to the Federal budget is mostly an opportunity cost as the 'foregone' revenue would never materialize given that very few organisations currently allow their employees to use their work vehicle for personal use given the FBT implications.

UnitingCare Queensland also asks if the Federal Government will consider allowing the legislation to apply retrospectively to simplify the administrative burden of implementing this initiative. If the Government doesn't choose to apply the initiative retrospectively, it will mean that organisations will have to apply two sets of standards and policies in relation to pre-1 July 2022 EVs and post 1 July 2022 EVs possibly resulting in sub-optimal decisions such as disposing of new cars, delays in procuring EVs etc.

I appreciate the Committee's consideration of our submission. Please contact UCQ's Senior Manager for Advocacy and Government Relations, Daniel Wong on [REDACTED] or at [REDACTED] if you have any queries or to organize a time to appear before the Committee.

Yours sincerely,

[REDACTED]

Craig Barke
UnitingCare Queensland CEO