



The EV Alliance is proudly supporting the uptake of electric vehicles in Australia and New Zealand for home, business, industry and government.

Date: 8th March 2021

To: Chair, Senate Standing Committee on Economics

Re: COAG Reform Fund Amendment (No Electric Vehicle Taxes) Bill 2020

Dear Chair,

The EV alliance is a collaborative group of professional EV conversion and servicing experts based in Australia and New Zealand. We specialise in internal combustion engine (ICE) vehicle conversions to full battery-electric (EV). We believe in rescuing and repurposing classic vehicles for a second life and re-engineering fleet vehicles for rapid decarbonisation.

Our members are leaders in the sector of electric vehicles and conversions with our members verified, trustworthy, and established in the Australian and New Zealand EV industry, and we actively work to progress the sector. As an organisation, we work together to improve EV conversion technology and share knowledge to provide information for safe Do-It-Yourself conversion.

On behalf of our members, we wish to express our full support for any legislation which promotes electric vehicles, rather than taxing them.

Our members are small business owners who wholeheartedly believe that the future is electric, and so we must take charge and highlight that introducing a tax on electric vehicles (EV's) could pose a risk of hindering Australia's already tragically slow uptake of Electric Vehicles.

We believe that the reasons for introducing a tax on electric vehicles is unfounded. Debate has been heard regarding funding for road construction and maintenance. Fuel excise does not currently provide funding for road construction and maintenance. Since the early 1990s road funding has been set as part of the budgeting process, discontinuing the use of fuel excise for this purpose.

Fuel is already decreasing in demand due to improvements in fuel efficiency as well as the hybridisation of a variety of vehicles. The owner of a hybrid ICE vehicle will contribute less than one-quarter of the fuel excise as compared to the same model full fuel vehicle, and yet, owners of hybrid-ice vehicles are not to be burdened with extra fuel excise to balance what they aren't paying. Why should electric vehicle owners be unfairly taxed?

The burning of fossil fuels ***IS BAD*** for Australia's health and the global climate. Striving to reduce their carbon footprint, owners of Electric Vehicles, especially those with whom our members have contact, choose to go electric not only to reduce the cost of owning and driving a car but also because they have a social conscience to help the planet.

Electric Vehicle usage, reduces the emission from transport for each km traveled, therefore also reducing emissions-related illness. This is a cost-saving to the taxpayer, which would be greater than the income generated by an excise on Electric Vehicles. This is not unlike the anti-smoking campaign, with raised taxes on cigarettes reducing smoking and a reduction in the incidence of cigarette related diseases, again saving the taxpayer overall. ICE vehicles should be considered just as toxic as cigarette smoking. Cigarette smokers attract negative attention, and this is exactly how ICE vehicle owners will be seen in the future.

The business of converting older vehicles into electric, provides a second life for vehicles that would normally be recycled. The recycling process takes a large amount of energy, converting steel, plastics, and other metals back to a usable state. Our clients help to reduce the amount of product requiring processing, all whilst maintaining a part of history.

Australia's hope of achieving net-zero emissions by 2050 can only be improved if the uptake of EV's are encouraged and helped. Increasing the expense of electric vehicles, whether new or recycled, will only delay this target to the detriment to Australia and the planet.

The Electric Vehicle conversion industry already contributes revenue to the Australian Government, by GST on components, import duties and taxes, employee income taxes, and GST upon sales. These businesses continue to support local jobs and form the early training of the Automotive Technicians of the future.

For these reasons, we do not support extra taxes, excises, or duties to be applied to electric and converted vehicles as we believe this will disincentivise Australians from the uptake of EV's. The government should provide incentives, to encourage the uptake of electric vehicles as quickly as possible to improve the lives of all Australians.

The time for the Government is **now** to provide incentives to the EV sector to ensure that Australia's goals of achieving net-zero emissions by 2050 are met. By supporting the EV sector, it will in turn help to improve the air quality, provide quieter cities, help in the development of stable electricity grids, and by providing new high-value industries and services, just to name a few. Now is not the time to be creating more financial barriers to their uptake, such as an EV specific road user charge.

Yours Sincerely,

Graeme Manietta, Oz-DIY Electric Vehicles
Member of the EV Alliance