



Australian Electric Vehicle Association Ltd.
ABN 71 660 748 318
PO Box 5285
Clayton, VIC 3168
Email: secretary@aeva.asn.au

Date: 16th August, 2022

To: Mr Alan Raine, Committee Secretary (Senate Economics Legislation Committee)
Re: Proposed changes to the Fringe Benefits Tax Assessment Act 1986 to exempt electric vehicles.

Dear Mr Raine,

The Australian Electric Vehicle Association Ltd (AEVA) is a volunteer run, not-for-profit organisation dedicated to switching Australia's transport networks to electric drive as quickly as possible. Formed in 1973, the AEVA has served as a vital forum for Australians to learn about electric vehicles (EVs) and to help the public understand the enormous opportunities and benefits electrification provides. We represent the end-users of EV technology – the drivers and riders, as well as many of the small businesses and technology innovators involved in all aspects of electrified transport.

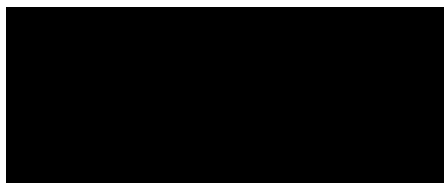
One of AEVA's key roles is to help Australians navigate the fast-moving world of electro-mobility, and help with some of the less-obvious challenges which arise. One unique challenge is the provision of EVs by employers to employees, and the higher tax rates this fringe benefit attracts. Electric vehicles are currently more expensive than an equivalent petrol or diesel vehicle to buy, yet their daily running costs are extraordinarily low, with cost equivalence being reached within 3-5 years of ownership.

As fringe benefit tax (FBT) is calculated on the capital cost of the vehicle, EVs attract a higher FBT. This generally means the employee who takes advantage of an employer-provided EV will end up paying more tax than had they been provided with a petrol or diesel-powered company vehicle.

Businesses are major customers of new cars and play a key role in driving demand for EVs. Many firms are enthusiastic about adding zero emission vehicles to their fleets, but are put off by the current tax implications. Exempting EVs from the FBT makes the provision of a work-related EV to employees far more palatable and helps drive further uptake of EVs in Australia.

The AEVA keenly supports the proposed EV exemption in the Act, and believes this simple measure will help accelerate EV uptake in Australia.

Yours sincerely,



Chris Jones, President
Australian Electric Vehicle Association