

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Economic Development

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Wednesday, 17 March 2021

ENSURING DRIVERS PAY THEIR FAIR SHARE TO USE OUR ROADS

The Andrews Labor Government is introducing legislation into Parliament for a new charging framework to ensure all motorists pay their fair share for the record investments in the Victorian road network.

As announced in the *2020-21 Victorian Budget*, a modest distance-based charge will apply for Victorian registered zero and low emission vehicles (ZLEVs) from 1 July 2021.

A 2.5 cent/km charge will apply to electric and other zero emission vehicles, including hydrogen vehicles, and a 2.0 cent/km charge will apply to plug-in hybrid-electric vehicles.

The distance-based charge and other financial incentives ensure ZLEV owners continue to pay a fraction of the motor vehicle-related taxes and charges that other vehicle owners pay to encourage uptake, while still making a fair contribution to the cost of building and maintaining the road network Victorians rely on everyday.

The Labor Government is continuing to encourage the uptake of zero and low emission vehicles including with discounted vehicle registration fees and stamp duty concessions and investing in fast charging networks for motorists across major highways and tourism destinations.

On average, electric vehicle owners will pay an additional \$330 a year in distance-based road usage charges and plug-in hybrid-electric vehicles owners will pay an additional \$260 a year. This compares to almost \$600 a year paid by the average internal combustion engine vehicle owner in fuel excise.

The revenue raised from this charge will enable the government to continue to invest in the road and transport network, including in new electric vehicle charging infrastructure and reforms to enable electric vehicle ready new buildings.

The amount the Government expects this charge to generate is significantly less than our more than \$45 million investment in supporting the use of zero and low emission vehicles.

Quotes attributable to Treasurer Tim Pallas

"These reforms ensure all motorists pay their fair share to use our roads while we continue to incentivise the use of zero or low emissions vehicles."

"Introducing a road usage charge now, before take-up increases substantially, ensures that everybody pays a fair and sustainable charge for the use and the wear and tear on our road network and that means safer roads."

"We're continuing to back the take-up of electric vehicles as we move closer to net zero emissions by 2050. We are providing confidence to new electric vehicle owners with a massive boost to our charging network, funded by the distance-based charge, which will reduce range anxiety as a key barrier to take-up."