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| **House of Assembly** | **Logo  Description automatically generated** | **Tony Piccolo MP** |
| **Extract from Hansard****MOTOR VEHICLES (ELECTRIC VEHICLE LEVY) AMENDMENT REPEAL BILL** | **Tuesday 1 November 2022** |

**The Hon. A. PICCOLO (Light) (11:42):** I rise in support of this bill. Back in November 2021, the then Liberal state government passed its Motor Vehicles (Electric Vehicle Levy) Amendment Bill. That act introduced a levy on electric vehicles and a requirement for the Legislative Council to appoint a select committee into electric vehicles. The levy was based on a distance-based charge for electric vehicles as an addition for the registration of an electric vehicle. The levy also was to commence on or earlier than 1 July 2027, or when electric vehicle sales reached 30 per cent of the total new motor vehicle sales in South Australia.

From the commencement of that levy, electric vehicle owners would have been charged 2¢ per kilometre travelled in a plug-in hybrid motor vehicle or 2.5¢ per kilometre for any other electric vehicle. It has been calculated that by distance travelled each year, the charge would be levied as part of the vehicle registration process.

The former Liberal government estimated that this new tax would raise $1 million each year. It is not clear, based on the discussions in this chamber, how that $1 million figure was estimated and also, more importantly, what the cost to the industry would be of having this $1 million tax revenue. The former Liberal government also advertised the state tax as a substitute for fuel excise, which is a federal tax. It is not a like for like tax; it is actually a new tax.

Fuel excise will come under pressure as more electric vehicles come onto our roads; however, addressing this should be led by the commonwealth government. Also, given the price of petrol these days, the last thing we want to do is increase fuel excise. It is creating a huge burden on consumers today, and is one of the major factors behind inflation at the moment, impacting on our economy and the wellbeing of our community.

The former state Liberal government saw the failure of their Coalition counterparts to put together any policy to address this emerging issue as an opportunity to implement their own tax, a tax that would have seen funds raised spent in any manner the state government decided and not actually on investing in this new technology.

As part of that bill, a select committee was to be established in the upper house. If this bill is passed, that committee will no longer be required, as the bill removes the requirement for that select committee. This government, our government, will contribute to Australia's first National Electric Vehicle Strategy, to be led by federal Minister Bowen.

SA Labor's proposed repeal bill, which is before us today, repeals both the electric vehicle levy and the requirement for a select committee. By abolishing the levy, the government will deliver on an election commitment—and, as has been said by members across the chamber, honouring election commitments is very important. We are doing so in this case, as we have also done with numerous infrastructure and other projects in our community. A survey undertaken in 2021 by the Australia Institute indicated that seven in 10 South Australians would be less likely to purchase an electric vehicle if a road user charge were to be introduced.

Importantly, had this tax gone ahead it would have actually been an impediment to the take-up of the purchase of electric vehicles. Apart from the purchase cost itself, there would have been that additional cost on an ongoing basis, introducing a disincentive in a policy area we want to incentivise. That is certainly the view of the community. Looking at current community opinion about what we should be doing to reduce emissions, as well as a whole range of things regarding climate change, the community certainly supports changes that reduce emissions.

While the road user charge was not designed to start for some time, passing this repeal bill is very important because it provides certainty for those looking to purchase an electric vehicle—and I wish to highlight that very important point. The reason for some lag in this nation in moving towards lower fuel emissions and policies to support climate change is that we have had policies that are inconsistent at both the state and federal levels, and that does not send the appropriate signals to the marketplace.

As some speakers have already indicated, for people to invest in a particular industry or product they need to know that the investment environment will be supportive of what they are investing in. Having a policy where you chop and change, particularly as it was at the federal level under the Morrison government, sends out mixed messages, and therefore businesses were not investing in renewables and other industries as they should have been and actually investing in the future. Other nations have been doing so, particularly the European countries, which have been sending out very strong signals about where people should be investing in the future.

It is somewhat sad that, after nine years of federal Liberal government policy in this area, we are now behind the eight ball in a whole range of climate change areas. This bill makes it very clear that we want to incentivise the electric vehicle industry, and it sends a very clear message to businesses that it is okay to invest in that industry because they will get a return on their investment. More importantly, it will drive innovation in this country in terms of improving electric vehicles and reducing their price, because the up-front price is a barrier to people purchasing them at the moment.

I think some other speakers have mentioned this already, but it is very important that, unless we support this bill and give a clear and consistent message to the marketplace, Australia will become the dumping ground of a secondary market. Rather than being a market leader, in this country we will actually follow those vehicles that are less innovative and less productive.

Given that our state—and I think I can say this with some confidence—has led the world in renewable energy, we should also be very clear that our state is very supportive of making sure that we have more electric vehicles on the roads. It is also very important, now that we have a federal Labor government which also sees the merit of this, that federal government policy supports this. The federal counterparts have set a low-emission vehicle target for the commonwealth fleet of 75 per cent of new leases and purchases by 2025. So the federal government itself is actually making it very clear where its future investment will be, and it has also made it very clear to the marketplace where they should invest in the future as well.

Commonwealth Labor has already made electric vehicles cheaper through the removal of fringe benefits tax and the 5 per cent import tariff for eligible electric vehicles. The fringe benefits tax changes mean that a $50,000 electric vehicle will now be up to $4,700 cheaper for someone using a salary sacrifice arrangement. An employer could also save $9,000 a year, an incentive that is critical for fleet buyers and, in turn, the second-hand market.

During the National Electric Vehicle Summit in August, the commonwealth government announced its commitment to develop Australia's first National Electric Vehicle Strategy. The South Australian government has been invited to be part of that development process and is strongly supportive of the federally led approach, in addition to our state-based support initiatives. The electric vehicle strategy will be the road map to achieve the following goals: make electric vehicles more affordable; drive more choice in the marketplace; drive electric vehicle uptake; reduce emissions; save money on fuel, which is actually a major concern at the moment; and ensure we are taking advantage of local manufacturing opportunities.

Very importantly, as I said earlier, it is sending quite a strong and clear message to the marketplace that electric vehicles are the way of the future. If I recall correctly, and my colleagues can correct me, it was only an election or two ago that Mr Morrison, the former Prime Minister, was saying that electric vehicles would be the end of the weekend, because how could you actually have electric vehicles on weekends or for all the weekend-type vehicles?

Well, he was proven wrong, and he was clearly not in line with where the community was at because he is no longer the Prime Minister. Sadly, he did set this country back almost a decade on a whole range of policies, this being one of them. It is not the only one, though; there are a whole range of other policy areas where he set back the nation 10 years. While Australia did not show leadership it meant that consumers were not getting a choice in this country either, because people were not investing in that area.

Some of the barriers in the slow uptake of electric vehicles, sadly, include that there are a smaller number of vehicles available in this country than in other countries because of the inconsistent message given by both state and federal Liberal governments and that there are higher up-front purchase prices. I think that as innovation drives improvements in those vehicles, as we have seen in other areas, prices will fall.

There is also anxiety about electric vehicle range. I must confess that one of my concerns is to make sure that I am fully charged wherever I am going. But there is a rollout of charging stations right across the state, which I know is supported by both the RAA and other companies. We are also undertaking a trial to improve that, but I think we still have some way to go in improving the community's acceptance that it can safely charge vehicles across the state. That said, any policy like that would only be supported if we removed this tax, because we are again sending quite a clear message.

In regard to chargers, a number of councils have introduced electric vehicle charging stations. I know my own council, the Gawler council, have an electric vehicle charging station in the town near the tourism office, and I am aware that other councils are doing the same thing. Electric vehicle charging stations are important from a tourism point of view. If you want people to come to your town and visit, then you provide the opportunity to charge up.

The electric vehicle charging network map, which the RAA are supporting, shows the towns where you will be able to find charging stations, and they will be confirmed shortly. It is also important to note that a number of companies that provide private car parking are already starting to provide electric vehicle charging stations. It is their acknowledgement that this is where the future is in vehicles, and they are now actually going to invest as a result of that.

Probably the saddest part of this proposal by the Liberal Party to introduce a tax, and by the federal Liberal Party to equivocate on climate change policies, is the setback of our country by almost a decade compared with where we could be. We led the world under Premier Mike Rann in terms of renewable energies. We led the nation, we led the world and we set the standard. For that reason, we are now producing most of our energy needs through renewable energies. Sadly, policies of previous state and federal Liberal governments have done damage to that.

With the proper settings in this state, and also at a federal level, this country can not only lead emissions control but also provide innovation that hopefully will lead to manufacturing this type of vehicle in this country. If there is one thing we need back in this country, it is more manufacturing, and this sort of decisive, clear message to industry will support that.