Electric Vehicles (Revenue Arrangement) Act 2021

NSW

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Master Electricians Australia (MEA) is a peak industry association representing electrical contractors across Australia, majority of which are small and medium sized businesses. We are recognised by industry, government and the community as a leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA appreciates the opportunity to respond to the Parliamentary inquiry into the *Electric Vehicles (Revenue Arrangements) Act 2021* (the Act).

Our core concern is that imposing road user charges on EVs at this stage of market uptake risks undermining adoption, not only among households but also commercial EV uptake. Such charges may reduce the financial viability of fleet transition decisions and therefore slow broader uptake.

In addition, premature charging frameworks risk constraining the broader system benefits associated with EVs, including their role as mobile energy storage assets. Where supported by appropriate infrastructure, EV batteries can provide distributed storage capacity and, in some cases, enable bi-directional energy flows back to households or the grid, supporting more efficient energy use and system resilience.

Electric Vehicles

EV Adoption - While EV adoption is increasing, the market has not yet reached maturity or price parity with internal combustion vehicles. EV new market has only risen to 15% (as of March 2026).[1] . While momentum is gaining, premature introduction of road user charges risks weakening existing financial incentives and slowing progress toward Australia's emissions reduction and net-zero objectives.

Cost of Living - Increases in transport costs, whether applied to electric, petrol, or diesel vehicles, flow through to broader goods and services. This contributes to inflationary pressure and compounds cost-of-living challenges, with associated impacts on productivity across the economy.

[1] <Fuel price hikes spark 15% surge in EV quote requests: NRMA Insurance finds>

Commercial EVs – While diesel remain the dominant option for trade vehicles, trucks, plant and machinery, interest in electric options is growing. The introduction of a premature or excessive EV-specific levy could dampen this momentum, undermining both industry confidence and the broader clean energy transition.

For the construction sector, including electrical contracting, affordable and efficient road access is essential. Workers rely on light vehicles to transport tools, equipment, and materials between sites, depots, and suppliers - particularly in rural and remote areas where long travel distances are unavoidable. Policy settings should therefore support operational efficiency and avoid imposing unnecessary additional costs on essential service delivery to act as incentive for fleet transition.

Household Energy Benefits – EVs offer benefits beyond transport. Where compatible with bi-directional charging, they can function as distributed energy storage assets, enabling households and businesses to store power from excess solar generation or from the grid when it is cheaper, or draw on vehicle batteries to power homes. In some cases, they may also support grid stability by feeding energy back during periods of peak demand. These system benefits represent an important opportunity that should be supported and incentivised, rather than undermined through early-stage cost imposition.

Recommendations

To avoid undermining EV adoption and increasing costs for trades and small businesses, the following approaches should be considered:

1. *Delay Implementation Until Market Certainty* - Defer any EV-specific road-user charges until EV adoption has reached sufficient market maturity and price parity with internal combustion vehicles.

2. *Pilot Programs Before Broad Application* - Conduct limited trials of any road-user charging scheme to assess impacts on EV uptake, small business costs, and productivity, before rolling out a full model.

3. *Trade and Small Business Exemptions* - Provide exemptions, rebates, or capped charges for light commercial vehicles used by trades and small businesses utilising EVs, where vehicle use is essential to service delivery.

4. *Regional and Remote Adjustments* - Design concessions or reduced rates for workers and businesses in rural and remote communities, where travel distances are unavoidable and public transport alternatives are limited.

Conclusion

MEA cautions against the premature introduction of road user charges on electric vehicles, given that market uptake has not yet reached maturity or stability. At this stage, such measures risk slowing adoption and limiting households and small businesses from realising the broader benefits of EVs, including lower operating costs and potential household energy support through vehicle-to-grid and storage applications.

MEA welcomes the opportunity to contribute to this inquiry and is available for further discussion.