INFRASTRUCTURE PARTNERSHIPS AUSTRALIA

29 May 2026

NSW LEGISLATIVE COUNCIL
PUBLIC ACCOUNTABILITY AND WORKS COMMITTEE

Via submission portal

SUBMISSION TO THE NSW LEGISLATIVE COUNCIL PUBLIC ACCOUNTABILITY AND WORKS COMMITTEE ON THE REVIEW OF THE ELECTRIC VEHICLES (REVENUE ARRANGEMENTS) ACT 2021

Infrastructure Partnerships Australia is pleased to provide this submission to the NSW Legislative Council – Public Accountability and Works Committee on the Review of the *Electric Vehicles (Revenue Arrangements) Act 2021*.

Infrastructure Partnerships Australia is an independent think tank and executive member network, providing research focused on excellence in social and economic infrastructure. We exist to shape public debate and drive reform for the national interest. As the national voice for the infrastructure sector in Australia, our membership reflects a diverse range of public and private sector entities, including infrastructure owners, operators, financiers, advisers, technology providers and policy makers.

Infrastructure Partnerships Australia has been a longstanding, consistent advocate for road reform. Our 2014 paper, Road Pricing and Transport Infrastructure Funding: Reform Pathways for Australia, developed in collaboration with Australia's leading motoring associations, drew attention to a system that was already inefficient and unsustainable, and set out the rationale for reform towards a better approach to road funding. In 2019, Infrastructure Partnerships Australia released Road User Charging for Electric Vehicles, drawing on nearly three decades of advice on the need to change how Australians pay for road use. This report established the concept of a distance-based road user charge for electric vehicles (EVs) in advance of the announcements of such schemes in Victoria, South Australia and NSW. Subsequently, our 2023 Completing Road Reform report canvassed reform options following the *Vanderstock* High Court decision. These reports are hyperlinked as appendices and form the deeper technical portion of this submission.

Australia's road funding model is approaching a structural breaking point. The greater fuel efficiency of all newer vehicles, and the welcome fact that electric vehicles do not use fossil fuels at the point of use, means fuel excise revenue is in terminal decline. Consequently, there will be less money overall to pay for services, including roads, and the use of roads will become increasingly inequitable; with the proportional cost burden falling squarely on those motorists who cannot afford the latest vehicle technology. Meanwhile, the cost of maintaining and upgrading the road network continues to grow in line with demand. The result is a widening gap between how Australians use roads and how they pay for them. This makes beginning reform with electric vehicles, in particular

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light electric vehicles, the most viable opportunity for enduring reform. The optimal window for implementing a road user charge is rapidly closing, with the best time to introduce such a measure being when zero- and low-emissions vehicles (ZLEVs) make up a relatively small percentage of the fleet.

NSW's *Electric Vehicles (Revenue Arrangements) Act 2021* provides the vital legislative pathway for this reform, mandating for the introduction of a road user charge in NSW for eligible ZLEVs from 1 July 2027 or when ZLEVs make up 30 per cent of all new vehicle sales (whichever comes first). The legislation was passed with widespread parliamentary support. Crucially, the legislation provides a time-bound mechanism for commencing reform. Any delays to implementing reform will deepen inequity and fiscal risk.

Contrary to discourse by lobbyists in recent years, there is no compelling evidence to suggest road user charging will inhibit the uptake of electric vehicles. For example, following Victoria's legislation of a ZLEV road user charge, there was rapid growth both before and after the implementation of the charge in the State[1]. In fact, sales data from the time indicated the uptake of ZLEVs in Victoria accelerated following the introduction of the road user charge. The ZLEV legislation either had no impact on demand for these vehicles, or its effect was so modest that it could not be identified in the data.

New Zealand offers Australia a live, working example of how a distance-based road user charging can be operated and progressed over time. Drawing on nearly five decades of operational experience, New Zealand demonstrates that distance-based charging can achieve sustainable revenue at scale – hypothecated to land transport funding.

With jurisdictional Treasurers in agreement about the need for reform to road user charging arrangements for ZLEVs, the most efficient and clear pathway now towards national reform is to align scheme design in all jurisdictions with NSW's legislated approach.

Infrastructure Partnerships Australia looks forward to further assisting the Committee, and I would welcome the opportunity to give evidence to assist your inquiry. If you require additional detail or information, please do not hesitate to contact Katie Dempsey, Senior Policy Manager, on (02) 9152 6000 or katie.dempsey@infrastructure.org.au.

Yours sincerely,



ADRIAN DWYER
Chief Executive Officer

[1] Australian Automobile Association, 2023, Electric vehicle index, see see https://data.aaa.asn.au/ev-index/ (as cited in Infrastructure Partnerships Australia's 2023 report: Completing Road Reform).

Appendices

(1) Infrastructure Partnerships Australia (2023) Completing Road Reform

(2) Infrastructure Partnerships Australia (2019) Road User Charging for Electric Vehicles

(3) Infrastructure Partnerships Australia (2014) Road Pricing and Transport Infrastructure Funding: Reform Pathways for Australia

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