



# Labor's Electric Car Discount

Australia lags the world on take up of electric cars.

Just 1.5 per cent of cars sold here are electric and plug-in hybrid – compared to 17 per cent in the United Kingdom, and 85 per cent in Norway.

In total, there are only around 24,000 registered electric cars on Australian roads, of around 15 million total cars.

This is despite growing enthusiasm for electric cars in Australia. A majority of Australians say they'd consider buying an electric model as their next car.

But electric cars remain unaffordable for most Australians.

There are no electric cars available in Australia for under \$40,000, and just five for under \$60,000.

In comparison, there are more than two dozen electric cars available in the UK for under AU\$60,000 – including eight that are cheaper than the cheapest electric car in Australia.

This is because the UK Government, and governments around the world, have introduced incentives and policies to help electric cars compete with older technology with lower upfront costs.

But all we've seen from the Morrison Government is inaction and scaremongering.

As well as denying electric cars to families who want them, the Government's inaction is contributing to unsustainable emissions.

Passenger cars make up almost 10 per cent of Australia's CO2 emissions. It's imperative we begin to change that.

## Labor's Electric Car Discount.

A Labor Government will introduce an Electric Car Discount – to make electric cars cheaper so that more families who want them can afford them, and to reduce emissions.

As part of the Discount, Labor will exempt many electric cars from:

- Import tariffs – a 5 per cent tax on some imported electric cars; and
- Fringe benefits tax – a 47 per cent tax on electric cars that are provided through work for private use.

These exemptions will be available to all electric cars below the luxury car tax threshold for fuel efficient vehicles (\$77,565 in 2020-21).

This cut-off will encourage car manufacturers to import and supply more affordable electric models in Australia.

**SIGN UP FOR  
UPDATES**

**DONATE**

**JOIN LABOR**

**SHARE**

To support the Electric Car Discount, a Labor Government will also work with industry, unions, states and consumers to develop Australia's first National Electric Vehicle Strategy, including consideration of:

- further measures to increase electric car sales and infrastructure;
- policy settings to encourage Australian manufacturing of electric car components (especially batteries) and possibly cars themselves; and
- ways to address the policy implications of declining fuel excise.

Labor will consider how the Commonwealth's existing investment in infrastructure can be leveraged to increase charging stations across the country and consider how other existing Commonwealth investments, including in its fleet, property and leases, can also be leveraged.

Labor's Electric Car Discount will begin on 1 July 2022 and be reviewed after three years, in light of electric car take up at that time.

## Benefits for Australians.

The Electric Vehicle Council estimates that a \$50,000 model (such as the Nissan Leaf) will be more than \$2,000 cheaper as a result of removing the import tariff.

If a \$50,000 model is provided through employment arrangements, Labor's fringe benefits tax exemption will save employers up to \$9,000 a year. Often FBT is passed on to employees – and those employees will benefit directly from Labor's policy.

Savings will be even higher for more expensive models (up to the luxury car tax threshold).

Electric cars are also cheaper to run and maintain. For example, Nissan estimates that a commuter in NSW can save \$30 a week by switching from a petrol car to its Leaf model.



Authorised by P. Erickson, ALP, Canberra

[Privacy Policy](#)