

NSW Legislative Council  
Public Accountability and Works Committee  
Review of the Electric Vehicles (Revenue Arrangements) Act 2021

**Date:** 26 May 2026

**A:** Parliament House, 6 Macquarie Street, Sydney NSW 2000  
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### **Review of the Electric Vehicles (Revenue Arrangements) Act 2021**

Dear Chair,

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to provide a submission to the NSW Legislative Council Public Accountability and Works Committee's Inquiry and Review of the *Electric Vehicles (Revenue Arrangements) Act 2021* (the Act). The AADA note that this review forms part of the mandated two-year statutory review process established under the Act.

The AADA represents 1,216 new car and truck dealers across NSW, ranging from family-owned small businesses to large multi-site and publicly listed dealership groups. Collectively, franchised new car and truck dealers in NSW employ 19,506 people and sold 367,947 new vehicles in 2025 as well as being responsible for most used-vehicle sales undertaken by Licensed Motor Vehicle Dealers. Added to this, NSW dealers completed more than nine million service and repair jobs and contributed approximately \$6.4 billion to the NSW economy in 2025. Importantly, franchised dealers sell the overwhelming majority of new electric or zero and low emission vehicles (ZLEV) in NSW, most of which are serviced by AADA members during the first three years of ownership.

The AADA acknowledges the policy rationale for transitioning to a Road User Charge (RUC) framework. However, we strongly support a nationally consistent approach to the design and implementation of any RUC system. It would be prudent if the Act specified that for an initial period the revenue collected through a RUC should be hypothecated to land transport infrastructure and used to support the rollout of robust EV charging infrastructure, including in regional locations where commercial investment is unlikely to be viable.

Improvements in vehicle technology and growing consumer demand for ZLEVs, including both hybrids and EVs have accelerated the decline in fuel excise revenue. This is a national challenge. A harmonised, nationally coordinated approach, developed through extensive industry and community consultation, would provide certainty to consumers and businesses regarding the future costs of ZLEVs and the long-term funding of road infrastructure. NSW's decision to proceed independently and activate the Act on 1 July 2027 risks placing NSW motorists and NSW dealers at a competitive disadvantage. The absence of national harmonisation is already evident across registration, regulatory, and vehicle standards frameworks, where cross-border inconsistencies impose inefficiencies and opportunity costs on both dealers and consumers. Introducing a legislated state-based RUC to NSW risks compounding these issues.

For many dealers, the administrative and financial burden of a RUC may influence how trading stock is managed and could reduce the number of test drives offered - an outcome that would directly affect consumer experience and ZLEV adoption. Similarly, for dealers operating large fleets, any transition from fuel excise to road user charging must be technology-neutral and impose minimal operational burden. AADA NSW members can assist in the design and functionality of such a tool.

The Act should be amended to provide that new car dealers are granted an exemption from the application of a RUC for the first 7,500 kilometres of that vehicle's road use on any newly registered, dealer owned trading stock. In the Victorian Government's introduction of a RUC in 2021, an exemption was provided to Victorian dealers that would be applied to ZLEV demonstrator and trading stock. The exemption encouraged dealers, who are at the forefront of assisting the Government to meet their objectives, to continue with customer test drives and other functions where they could retail ZLEV technology without the burden of being financially penalised.

The AADA members are at the frontline of Australia's transition from an internal combustion engine (ICE) fleet to a ZLEV fleet. Dealers are the primary consumer interface and play a critical role in educating buyers about purchase considerations and ongoing ownership costs. It is therefore essential that any recommendations arising from this review do not inadvertently discourage ZLEV uptake. Poorly designed or prematurely implemented charging mechanisms mandated by the Act may undermine the strong upward trajectory in ZLEVs and run counter to the NSW and Australian Governments' climate and emissions-reduction objectives.

Finally, it is important that any new charging system does not unfairly penalise motorists who continue to drive internal combustion engine vehicles, particularly those for whom ZLEV adoption is not yet practical or affordable.

The AADA appreciates the Committee's consideration of these matters. We would welcome the opportunity to host the Committee on tours of NSW franchise dealerships in regional and metropolitan NSW and engage further as the review progresses.

Yours Sincerely,



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