



## Treasurer of Victoria

Minister for Economic Development  
Minister for Industrial Relations

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Dr Chris Jones  
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Dear Dr Jones

### **ZERO AND LOW EMISSION VEHICLE DISTANCE-BASED CHARGE**

Thank you for your correspondence regarding the Government's recently announced distance-based charging scheme for zero and low emission vehicles.

The Government remains committed to supporting the transition to zero and low emission vehicles (ZLEVs), consistent with Victoria's legislated Net Zero Emissions by 2050 Target. The Government also wants to ensure all motorists contribute their fair share to the cost of funding Victorian roads and road-related infrastructure.

From 1 July 2021, a distance-based road-user charge will be introduced for ZLEVs registered in Victoria. Under this scheme, a charge of 2.5 cents per kilometre will apply to electric and other zero emission light vehicles, including hydrogen vehicles, while a charge of 2.0 cents per kilometre will apply to plug-in hybrid-electric light vehicles.

This package ensures ZLEV owners continue to pay less in road-related taxes and charges than other drivers, recognising the environmental and health benefits of these vehicles. The charges have been designed so that drivers of ZLEVs pay around 40 to 50 per cent less than an average driver pays in fuel excise.

ZLEVs subject to distance-based charges will continue to receive a stamp duty concession where eligible and the \$100 discount on their annual Victorian registration. However, conventional hybrid vehicles, which are predominantly powered by a petrol or diesel internal combustion engine, will no longer be eligible for the \$100 registration discount.

To further encourage take-up of electric vehicles and support Victoria's transition to a low emissions future, the revenue raised from the first few years of this charge will be used to invest in accelerating the adoption and addressing perceived barriers to ZLEV take-up.

In the recent 2020-21 Budget we announced over \$45 million of support for ZLEVs – over 50 per cent more than the anticipated revenue from the charge – which will fund new electric vehicle charging infrastructure, a state-wide zero-emission bus trial and reforms to enable electric vehicle-ready new buildings.

The Government will continue to evaluate zero and low emission transport policies to encourage take-up of zero and low emission technologies, and to ensure Victoria remains on track to meet its 2050 net zero emissions target.

For more information please refer to the VicRoads website  
<https://www.vicroads.vic.gov.au/registration/registration-fees/zlev-road-user-charge>

Yours sincerely

**TIM PALLAS MP**  
Treasurer

16/04/2021



## **Additional information**

### **How will the charge be implemented?**

ZLEV owners can elect to pay the charge quarterly, semi-annually or annually and will report their odometer readings to VicRoads to determine the distance travelled. When paying vehicle registration online via the myVicRoads account, a bill will be automatically generated based on these odometer reports.

VicRoads will be contacting vehicle owners with more information on how to report odometer readings as well as the billing and payment process prior to the scheme's commencement.