

Media Briefing

Fuel Excise/World EV Day

Media Contact	Nelli Stevenson - 0481 303 815
Subject	Fuel excise ending/World EV day

Summary

The [Fuel Excise rate cut](#), introduced by the Morrison Government in response to escalating petrol costs, is due to end on Wednesday 28 September. Australians usually pay a tax of 44.2 cents for every litre of fuel included in the price at the bowser. The excise was halved on March 30 to 22.1 cents per litre.

This comes the day before **World Electric Vehicle Day** on September 29, and presents an opportunity to discuss how electric vehicles have the potential to save Australians money on motoring, and how the Federal Government can make electric vehicles more accessible and more affordable to Australians.

What's the issue?

Australians love our cars, but transport is one of the biggest sources of climate pollution, and cars are a major part of the problem. Escalating fuel costs are hurting households as the cost of living soars, with Finder's Consumer Sentiment Tracker finding almost a third of Australians (28%) list petrol as one of the expenses causing them the most amount of stress, up from 13% in September 2021.

Switching to an electric vehicle is the best way Australians can avoid spiralling fuel costs into the future. Recent research shows petrol cars cost motorists 12c/km in fuel prices (when fuel prices were only \$1.43/litre), whereas an electric car costs 4c/km when charged from home solar and 6.5c/km when charged from the grid.¹

The biggest barrier to greater uptake of more affordable electric vehicles is our lack of a fuel efficiency standard. Australia currently ranks alongside Russia as one of the only developed economies without fuel efficiency standards, which means that Europe, New Zealand the US are racing ahead with electric vehicles while we're left trailing the pack.

This has allowed car manufacturers to dump their most polluting cars in Australia. Australia currently accepts vehicles that the rest of the world rejects as they're either too dirty, too expensive to run, and often both.

Australians are crying out for cleaner electric vehicles, with waiting lists stretching out to over a year, and the few electric vehicles coming into the country are selling out within minutes. But

¹ <https://www.rewiringaustralia.org/report/castles-and-cars-discussion-paper>

because big car companies and previous governments have blocked electric cars, the supply simply can't keep up with the demand.

While the world is racing ahead in adopting electric vehicles, in Australia last year only 2% of new vehicle sales were electric². The major lever that will start bringing EVs into the country is a fuel efficiency standard that aligns us with other major markets.

What's the solution?

The Federal Government can steer Australia's electric transport into the fast lane by introducing strong fuel efficiency standards. The Albanese Government has already brought in measures to bring down the cost of electric vehicles, but now it's time to open up the market.

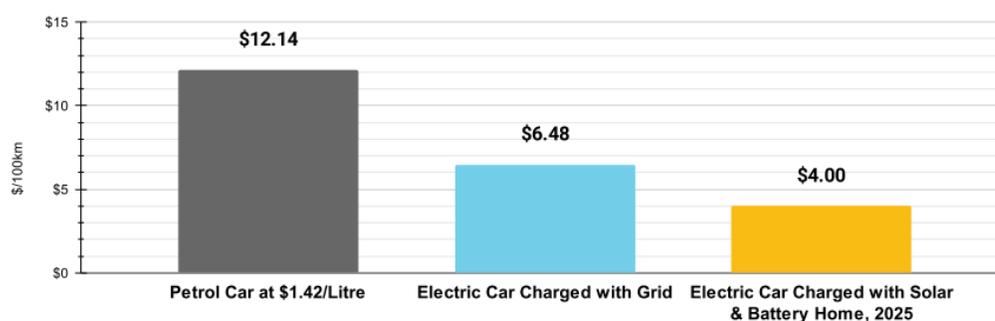
Strong fuel efficiency standards will make electric cars cheaper and accessible for all Australians, with The Australia Institute calculating [\\$5.9 billion in savings](#) for commuters had they been introduced back in 2015.

Key facts

Petrol cars and hybrids are expensive to run

- Recent modelling showed petrol cars on average costing motorists 12c/km when fuel prices were down to \$1.43 per litre. In comparison an electric car charged from the grid was 6.5c /km and charged with home solar was 4c/km. The average fuel price for E10/Unleaded 91 in New South Wales is **171.1 cents per litre up from 160.3 cents per litre a week ago**.³ This means savings from an EV would be even higher today.

Cost Per 100km - Electric Vehicle versus Petrol Vehicle - Mid-Size Car



- The average **two-car household spends \$5115 on petrol** annually⁴
- Almost a **third of Australians (28%) list petrol as one of the expenses causing them the most amount of stress**, up from 13% in September 2021.⁵
- According to the March 2022 Federal budget, **Australian motorists are forecasted to pay over \$13.9 billion in net fuel excise this financial year**, and \$62.5 billion over the next four years.⁶

² <https://electricvehiclecouncil.com.au/ev-sales-boom-presents-chance-to-capture-serious-electric-benefits-if-government-acts-now/>

³ <https://www.finder.com.au/cst>

⁴ <https://www.commbank.com.au/articles/newsroom/2022/09/fuel-finder.html>

⁵ <https://www.finder.com.au/cst>

⁶ <https://www.finder.com.au/cst>

Fuel efficiency standards are popular and would save drivers money

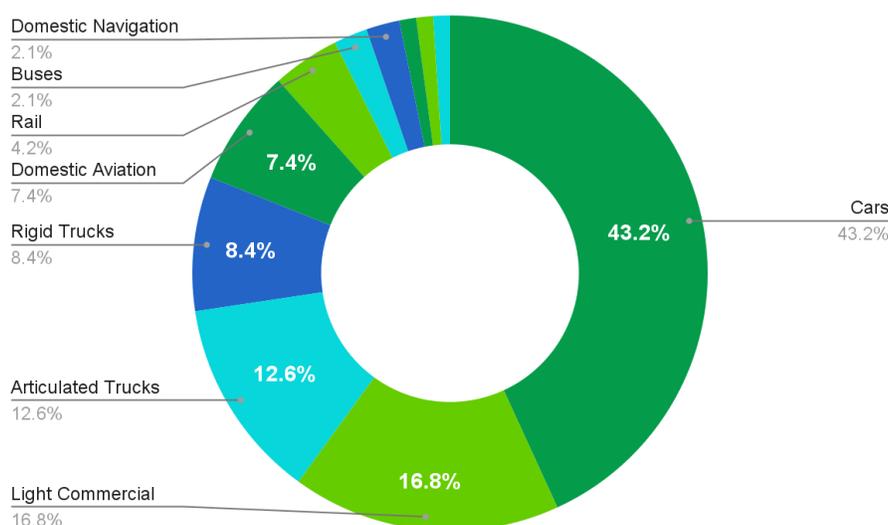
- Almost **two in three Australians (65%) support the introduction of national fuel efficiency standards** in line with those in Europe⁷
- **\$5.9 billion would have been saved by motorists** had fuel efficiency standards been introduced back in 2015.
- Fuel efficiency standards have been adopted in **around 80% of the global car market, but not in Australia**⁸

People want EVs, but supply can't keep up with demand

- Volatile petrol prices are the reason **13% of Australians want to ditch conventional cars** – that's **2.6 million drivers considering switching to electric because of surging petrol prices**.⁹
- In Australia last year **only 2% of new vehicle sales were electric**.¹⁰

Transport emissions are one of Australia's largest sources of climate pollution

- **Road vehicles make up 82% of all transport emissions.** Cars and light commercial vehicles contribute 60% of all transport emissions



2020 Transport Sector Emissions Breakdown¹¹

Further reading

- The Australia Institute: Analysis showing a \$5.9 billion saving to commuters as a result of Fuel Efficiency Standards ([link](#))
- Saul Griffith: Castle and Cars. Savings in the Suburbs through Electrifying Everything Discussion Paper ([link](#))
- Finder Consumer Sentiment Tracker ([link](#))

⁷ <https://australiainstitute.org.au/wp-content/uploads/2021/10/211013-Climate-of-the-Nation-2021-WEB.pdf>

⁸ <https://australiainstitute.org.au/post/new-analysis-5-9b-fuel-cost-saving-to-commuters-if-fuel-efficiency-standards-introduced/>

⁹ <https://www.finder.com.au/cst>

¹⁰ <https://electricvehiclecouncil.com.au/ev-sales-boom-presents-chance-to-capture-serious-electric-benefits-if-government-acts-now/>

¹¹ <https://www.industry.gov.au/sites/default/files/2020-12/australias-emissions-projections-2020.pdf>

Comments from spokespeople

Lindsay Soutar, senior campaigner at Greenpeace Australia Pacific:

"The best way to reduce Australians' exposure to spiralling petrol prices is to no longer rely on petrol. An electric car costs half as much per kilometre travelled as a petrol car, and even less if powered by homegrown rooftop solar. This is why it is so urgent that the federal government gets on with the job of making electric vehicles more affordable and accessible to all"

"Here in Australia, we have no fuel efficiency standards so we've become the dumping ground for car manufacturers' most polluting and inefficient cars that other countries won't take. It's costing us money, and trashing our climate."

"The Federal Government can steer Australia's electric transport into the fast lane by introducing strong fuel efficiency standards that will make cleaner electric vehicles affordable and accessible for all Australians."

Sarah Megginson, money expert at Finder:

"Fluctuating petrol prices are putting a significant amount of financial strain on Australians, particularly against the backdrop of rising overall cost of living."

"This stress is only set to worsen as the fuel excise comes to an end. On the eve of the excise ending, almost a third of Australians listed petrol as one of the expenses causing them the most stress - a huge jump from 13 per cent this time last year."

"A whopping 2.6 million Aussie drivers are considering switching to electric vehicles because of surging petrol prices, as they attempt to avoid a portion of the \$62.5 billion in net fuel excise set to be paid by Australians over the next four years."

Lynley Hamblen, mother of two from Sydney's southern suburbs says:

"Our family of four has decided we won't buy another petrol car, but finding an electric vehicle that meets our needs has proven challenging."

"We buy for the long term, and I know soon we will be surrounded by sweaty teenagers and I want a bigger car that will grow with our family. But the lack of support for electric vehicle uptake in Australia means families like mine have to hit the brakes on our plans to go electric."

"We hear that there are many more models available overseas, and families like ours just want the Government to have more supportive policies to give us the same options and affordability that families overseas have."