



Keep EVs Rolling: Dropping the Tax Exemption Means Choosing the Wrong Side of History.

Monique Ryan, Independent MP for Kooyong, calls on the Albanese Government to retain electric vehicle incentives that are driving uptake of cheaper-to-run cars, cap the diesel fuel rebate, and introduce a windfall tax on gas exports.

Dr Ryan said the Treasurer's suggestion that the Fringe Benefits Tax (FBT) review for novated leases could see the exemption axed would be a critical misstep at a moment when energy security has never been more important.

Says Dr Ryan: "As oil and gas prices surge globally, now is the wrong time to wind back incentives for electric vehicles.

"The families who are the most energy secure right now are those with solar, home batteries, and electric vehicles. The FBT exemption has driven more than 105,000 additional EV purchases since 2022, and tripled the size of the second-hand EV market. This is the kind of policy success we should be accelerating, not abandoning."

Australia's EV market share has grown from 3.8% in 2022 to 13.1% in 2025, but the 454,000 EVs currently on the road still represent barely 2% of our total fleet of 21 million vehicles. The Climate Change Authority has estimated that half of all new cars sold between now and 2035 must be electric to meet the lower end of Australia's climate target.

"If the government can't afford the FBT exemption, which is estimated to cost \$1.35 billion per year, it makes little sense to return \$8 billion per year to fossil fuel-dependent users through the Fuel Tax Credits Scheme.

"The EV Council has calculated the FBT policy delivered \$2.25 in economic, environmental and health benefits for every dollar in cost between 2022 and 2025. That return will increase further as oil prices rise.

"The choice before the Government is not between spending and saving — it is between spending that accelerates the future we need, and spending that subsidises a past we can no longer afford."

The events of the past month will also deliver extraordinary windfall profits to gas companies that have historically paid minimal tax on Australian resources.

Dr Ryan: “The government should urgently introduce a windfall tax on the war super-profits of multinational gas exporters, with the revenue raised directed toward our clean energy transition. More permanent measures to replace our broken Petroleum Resource Rent Tax are also required, so Australians finally get a fair share of our national resources.”

Monique Ryan is calling on the Albanese Government to:

- Retain the FBT exemption for EVs below the luxury car tax threshold, with a plan to gradually taper the exemption based on market share thresholds rather than abolishing it outright;
- Cap the diesel fuel rebate at \$50 million per company per year, ending the situation where BHP, Rio Tinto and Hancock Prospecting collect hundreds of millions in public subsidies while posting billions in annual profits;
- Introduce a windfall tax on supernormal profits generated by multinational LNG exporters as a result of the current conflict, with revenue directed to the clean energy transition, while also exploring permanent solutions to fix Australia’s inadequate resource rent tax collection;
- Introduce road user charges for EVs at a discounted rate, to establish a fair contribution to road funding while continuing to incentivise uptake of cleaner, cheaper-to-run vehicles; and
- Undertake scenario planning on fuel prioritisation and leverage Australia's position as an energy exporter to secure continued petroleum and diesel supply.