



Policy costing request—during the caretaker period for a general election

Name of policy:	Accelerating the Electric Vehicle Revolution
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	24 June
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/sites/greens.org.au/files/20160518_Electric%20vehicles_0.pdf
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<p>Component 1: Free electric vehicle registration</p> <p>The Commonwealth would pay state registration fees for five years when someone purchases a new electric vehicle.</p> <p>Component 2: Building EV Charging Infrastructure</p> <ul style="list-style-type: none">• A \$150 million grants program over the 2016-17 Budget forward estimates for the installation of electric vehicle (EV) charging infrastructure for local governments (pools, sporting ovals, parks, libraries, council buildings), private companies managing publically accessible parking (shopping centres) and state governments for public car parks (railway carparks). This program will subsidise the purchase and installation costs for a fast charge roadside station, up to a cap of \$45,000 per station.• A \$50 million grants program over the 2016-17 Budget forward estimates for a non-government organisation (NGO) fleet 'gap' subsidy (e.g. home care nurses, Red Cross) to upgrade their passenger vehicle fleet to electric cars.
What is the purpose or intention of the policy?	Establish a targeted five year program to drive down technology costs, encourage the uptake of pollution-free electric vehicles on Australia's roads and create incentives for consumers.

What are the key assumptions that have been made in the policy, including:	
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	No
<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	Component 1 is demand driven, component 2 is capped.
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	Yes, they will receive payments from the federal government.
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	No
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	No
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	N/A

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<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>No</p>			
<p>Expected impacts of the proposal</p>				
<p>If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?</p>				
<p>Estimated financial implications (outturn prices)^(a)</p>				
	<p>2016–17</p>	<p>2017–18</p>	<p>2018–19</p>	<p>2019–20</p>
<p>Underlying cash balance (\$m)</p>	<p>-50.6</p>	<p>-52.6</p>	<p>-54.4</p>	<p>-56.6</p>
<p>Fiscal balance (\$m)</p>	<p>-51.1</p>	<p>-53.1</p>	<p>-54.9</p>	<p>-57.1</p>
<p>(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.</p>				
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>Based on expected uptake and additional demand that these policies would provide.</p>			
<p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No</p>			
<p>What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?</p>	<p>Investing in charging infrastructure and reducing registration costs would reduce barriers for people who might otherwise not purchase an electric vehicle.</p>			

Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Department of Finance
Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).	None
Intended date of implementation:	1 January 2017
Intended duration of policy:	30 June 2021
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	