

The road-user charge could be a potential headwind

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The Hon Matt Kean

Chair - Climate Change Authority

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A bit over a century ago, if journalists had asked Australia's horse and buggy makers their impressions of "haste-wagons" then starting to appear on roads, you can imagine they wouldn't have welcomed their rivals.

"Dirty, dangerous, no demand," and so on, would have been natural responses from incumbent businesses under threat from the motor car.

We've witnessed similar responses from some in the auto industry to the Climate Change Authority's estimate within our emissions targets advice to the Government that half of all light vehicle sales over the next decade could be electric.

The proportion rises steadily to about 85% in 2035 itself from roughly 10% presently. Globally, about 1 in 4 vehicles sold this year will be an EV.

To be clear, the Authority is not recommending a mandated target, nor is the Government planning one. Rather, we were projecting one pathway among many that can contribute to Australia hitting the national target of cutting greenhouse gas emissions to 62%-70% below the 2005 level by 2035.

We drew on multiple sources to develop our advice. Forecasts for an industry changing rapidly can't be taken as a given, but it's notable well-regarded analysts such as Bloomberg New Energy Finance have mapped similar trajectories for EV demand in Australia.

Targets, of course, are one thing. Reaching them needs consistent, coordinated action across governments – a requirement applying to other sectors that must decarbonise over the next decade and beyond.

Transport, though, offers both big challenges and bigger opportunities.

It's the third-largest source of carbon emissions and one that's on track to claim top ranking within a couple of years. It's notable the Government's own estimates don't have emissions from the overall sector peaking until around 2030, such is our rising thirst for road and air travel, in particular.

Another is consumer inertia to the take-up of new technology, particularly when it involves a major outlay. After housing, cars are typically among our costliest single purchases.

The barriers to switching from petrol or diesel vehicles have been well-flagged, such as recharging times and the up-front sticker price. The remarkable battery advances we've seen in recent years should lower both, with life-cycle costs already close to parity if not tilting in EVs favour.

Most urban drives are easily covered multiple times over by battery capacity, but it's fair to say longer drives can diminish some of the relish EV owners otherwise enjoy every time they get behind the wheel.

On a recent trip from Sydney north to Coffs Harbour, I got a hint of the so-called "range anxiety", arriving with just 8% capacity to spare.

In short, we've been too slow building the infrastructure that will support our transition off fossil fuel. That's true for the rollout of renewable technology to tap our abundant sunshine and wind, and it's the case for the inadequate numbers of fast chargers along major routes such as the Pacific Highway.

Australians won't embrace EVs if they think a trip along the coast is a gamble. Range anxiety isn't about the cars — it's about whether the nation has built the charging backbone to match them. Chargers should be as common as service stations.

Work is being done, with the Electric Vehicle Council noting the number of high-power public EV chargers in service doubled [last year](#). And the Government recently earmarked another \$40m in funding for the buildout.

Australia's ratio of EVs to chargers, however, remains about three times the global average of around 15, according [to the International Energy Agency](#).

Another potential headwind could come in the form of a road-user charge. How that is devised and whether it accounts for the benefits EVs bring - from quieter streets, the absence of exhaust-pipe smoke, to avoiding oil imports from distant regions of unrest - remains to be seen.

Norway, where EVs notched up 98% of new car sales in August, has shown the world how to do it. Requiring new apartment blocks to include charging is just one measure Australia should be considering.

The spread of rooftop solar demonstrated how technical wizardry coupled with proof of lower power bills can give an industry lift-off. And that's before the emerging capability of vehicle-to-home or to the grid is included.

With the world's automakers pouring funds into developing ever-better EVs, Australians will have ever more reasons to electrify their transport.

Let's make sure, though, that poor infrastructure doesn't leave Australia stuck in the slow lane.