



# Zero Emissions Vehicle (ZEV) Subsidy

The Victorian Government is making it easier for Victorians to choose to buy an electric vehicle sooner through the Zero Emissions Vehicle (ZEV) Subsidy, saving people \$3,000 on the purchase of an electric vehicle and driving Victoria’s transition to a net zero emissions future.



**The Zero Emissions Vehicles Roadmap announced in May 2021, includes a target of 50 per cent of new light vehicle sales to be zero emissions vehicles (ZEVs) by 2030. To kickstart the move to ZEVs, the Victorian Government is providing \$46 million for Australia’s first public ZEV Subsidy Program – supporting the purchase of more than 20,000 ZEVs.**

## About the ZEV Subsidy

Buying a new vehicle is a big decision. The subsidy will reduce the upfront cost to the customer of purchasing a ZEV (battery electric vehicle and fuel cell electric vehicle) and will support more Victorians to choose to buy a ZEV sooner.

The ZEV Subsidy will apply immediately for any eligible vehicle purchased from Sunday 2 May 2021 until the rebates are fully committed, or three years, whichever is achieved sooner.

The subsidy will be offered in stages and the first stage includes 4000 subsidies offered at \$3,000 each.

The value of subsequent stages will be finalised following consultation with the ZEV industry.

The car dealer will claim the subsidy on your behalf when you purchase an eligible ZEV. The Victorian Government is working with car companies to put these arrangements in place. It will be deducted from the price and will be verified and payable when the vehicle is registered at a Victorian address.

The first stage of the subsidy will be limited to ZEVs that are priced below \$68,740. Subsequent subsidy stages will encourage the supply of more affordably priced models.

## Why zero emissions vehicles?

Accelerating the uptake of ZEVs means that fewer new petrol vehicles will be on Victorian roads.

Zero emission vehicles are motor vehicles which produce no ‘tailpipe’ emissions and include battery electric vehicles and hydrogen fuel cell vehicles.

One of the largest barriers to ZEV uptake is the upfront cost difference between ZEVs and petrol or diesel fuel cars, but prices are falling as with all new technologies. While there are expectations that ZEVs will hit price parity by the mid 2020s, we have set a target of 50 per cent of all light vehicle sales being ZEVs by 2030, and the subsidy aims to accelerate the adoption of ZEVs sooner.

ZEVs deliver multiple benefits for all Victorians. Not only do they lower emissions, but they improve air quality, lead to better health outcomes and offer other social and economic benefits.



Receive up to \$3,000 off the upfront cost of a new zero emissions vehicle



Available from 2 May 2021



Subsidy will apply at the time of purchase



More than 20,000 subsidies available

## Am I eligible?

The ZEV Subsidy Program aims to rapidly increase the uptake of ZEVs in Victoria, and so the program is available to Victorian residents and businesses with premises in Victoria.

Victorians will be able to access the subsidy once only and businesses will be able to apply for up to two subsidies at this stage.

Evidence of Victorian resident status and proof of identity will be confirmed through the registration process. Read more about proof of identity [www.vicroads.vic.gov.au/licences/evidence-of-identity/types-of-identity-documents](http://www.vicroads.vic.gov.au/licences/evidence-of-identity/types-of-identity-documents)

## How will I receive the subsidy?

The program starts from Sunday 2 May 2021, and vehicles purchased from Victorian dealers after this date by eligible Victorians will be able to receive the subsidy.

The subsidy will be applied to the cost of the vehicle from the point of purchase at the car dealership.

We are working with the car industry and government partners including VicRoads, to design the program and have all arrangements in place for payments by July.

If you purchase a vehicle between Sunday 2 May and July, before the subsidy payment process is established, then you will be contacted to arrange for the subsidy to be paid direct to you.

## Which vehicles will be covered?

Only battery electric vehicles and fuel cell electric vehicles (FCEV) will be eligible under the program. Battery electric vehicles are currently commercially available in Victoria, while FCEVs are still emerging as a consumer market.

Only vehicles priced under \$68,740, will attract the subsidy in the first stage of the program.

Other low emissions vehicles technologies such as plug-in hybrid-electric and hybrid vehicles will not be eligible for this subsidy. Plug-in hybrids are often superior to internal combustion engine vehicles in their environmental performance and are a familiar stepping stone on the path to ZEV uptake, however this subsidy is only focused on ZEVs.

The vehicle must be a car. Motorcycles and other vehicles are not included in the ZEV Subsidy.

It will apply to vehicles priced with a GST-inclusive value less than \$68,740, excluding stamp duty, compulsory third-party insurance, registration and other charges.

The value of a car, for the purpose of the threshold, will be the sale price before deduction of the rebate, and includes the value of any parts, accessories or attachments supplied, or imported, at the same time as the car.

Green cars above this threshold may be eligible for Victorian vehicle duty concessions.

## What is the average cost of a battery electric vehicle?

Average prices of battery electric vehicles currently range from \$40,000 to more than \$100,000. However, with the boom in demand by consumers for environmentally friendly options, prices are reducing and are expected to continue doing so over time, as with all new technologies.

The subsidy will contribute to the acceleration of the take up of EVs by reducing the up-front cost of purchase.

## Who are the current manufacturers of available ZEVs?

There are currently around six battery electric vehicle models on offer within the recommended retail price threshold, with more models expected later in 2021 and beyond, from manufacturers including Nissan, MG and Mini as well as EV-only manufacturers such as Tesla.

## Where can I find out more about the ZEV Subsidy Program?

More details on the ZEV Subsidy, including eligibility, how to receive the subsidy and frequently asked questions are on the website, where you can also register to receive updates on the program.

Visit the website at [solar.vic.gov.au/zero-emissions-vehicle-subsidy](http://solar.vic.gov.au/zero-emissions-vehicle-subsidy)

Or call the DELWP Contact Centre on 136 186 from anywhere in Australia, Monday to Friday, 8am to 6pm. Costs may vary – mobiles and public telephones may incur additional costs.

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