



Motor Trade Association of Western Australia

Automotive
Institute of
Technology

NATIONAL ELECTRIC VEHICLE STRATEGY

31 October 2022 - MTA WA Submission

CONSULTATION PAPER

ABOUT

Established in 1934, the Motor Trade Association of Western Australia has solely dedicated its efforts to advocating for the automotive industry and its interests. This advocacy and support has allowed the MTA's members to prosper in a profitable, compliant and sustainable capacity. By ensuring the best outcomes for members, the MTA empowers business owners to undertake business with confidence, make decisions with certainty and employ more personnel, both now and in to the future.

The Association provides its members with a network of highly-skilled professionals, all of whom are committed to serving members and upholding the Association's core values.



The original Founders of the MTA WA, once called 'The Service Station Association' - united as one voice, to promote and protect the interests of the automotive industry, as a collective. These individuals went on to create workshops, which expanded into car dealerships and continued to grow.



CONTACT

Stephen Moir
MTA WA Group CEO

Motor Trade Association of Western Australia
253 Balcatta Road, Balcatta WA

Phone: (08) 9233 9800
Email: Stephen.moir@mtawa.com.au

Summary of MTA WA recommendations

1. Delete all Goals other than “Reduce emissions” in the Proposed Framework for the National Electric Vehicle Strategy
2. Delete the word “rapid” from the first objective (Encourage rapid increase of demand for EV’s) in the Proposed Framework for the National Electric Vehicle Strategy
3. That the draft Strategy’s inclusion of some low-emission vehicles is extended to also include non-plugin hybrid vehicles that deliver similar GHG emission standards
4. Replace the proposed objective with “Support the establishment of systems and infrastructure to enable the fastest practical uptake of ZLEVs.”
5. That the final Strategy includes the new objective: “Assist owners of legacy ICE vehicles minimise emissions”
6. State governments should be encouraged to introduce mandatory emissions testing on vehicles over 5 years of age
7. That government provide funding and policy support to enable upgrades of electricity grids.
8. That government provide funding and policy support to decarbonise the generation source of all grids.
9. Include the new objective: “Assist Australia’s motor trades prepare for, and transition to, the government-engineered all-electric future.”
10. Include the new objective: “Government to expedite stakeholder engagement on policy to address the inevitable decline in government revenue from fuel excise.”
11. That the final Strategy and future government messaging acknowledges the existence of genuine mitigating differences when statistical comparisons with other countries are made.
12. That governments provide a cash incentive of \$10,000 for new ZLEV purchases and \$5,000 for purchases of second-hand ZLEVs.
13. That the federal government remove all purchasing taxes including GST, Stamp Duty and Luxury Car Tax for ZLEVs.
14. That the government immediately investigate the high cost of insurance for ZLEVs and ZLEVs with the aim of identifying opportunities to bring premiums to parity with ICE equivalents.
15. That the government consider incentives for manufacturers to supply ZLEV SUV and utility vehicles that are currently not available in Australia.
16. That government increase the availability, capacity and affordability of low emission vehicles by setting policy based on whole of life (net) emissions rather than arbitrary drive types and acute tailpipe emissions.
17. That government rapidly increase the number of public ZLEV charging facilities to grow consumer confidence, especially along major highways in regional areas.
18. That government consider incentivising private investment in high-speed public ZLEV charging facilities.
19. That government consider options to facilitate ZLEV charging for apartment/flat dwellers and other households that lack access to off-street ZLEV charging or are denied the opportunity to do so by body corporates, landlords or other entities. This could include the provision of tax incentives, grants or rebates for the installation of ZLEV charging infrastructure.
20. That government immediately shift its policy focus from support for specific technologies to support for minimum whole-of-life (net) emissions standards, irrespective of fuel type.

21. When uptake of low emission vehicles reaches an acceptable level, government incentives be narrowed based solely on tighter whole-of-life (net) emission standards, not any specific technology.
22. That government requires operators of public charging infrastructure to provide up to date information to enable government sanctioned maps including the status, capacity and waiting times at each charging station.
23. That government maintains publicly accessible up-to-date comparative information regarding the cost savings, availability, specifications and expected delivery times of ZLEV and ICE vehicles.
24. That any fuel efficiency standard for Australia must be combined as part of a broader package of incentives aimed at improving the affordability, demand and supply of EVs, including price subsidies, tax credits, rebates and other incentives. A fuel efficiency standard for Australia must also take account of Australian vehicle buying preferences and choices.
25. That a fuel efficiency standard for heavy vehicles be postponed until such time that zero-emission technologies, including battery electric and/or hydrogen fuel cell technologies are effectively commercialised across all heavy vehicle classes.
26. MTA WA supports the Federal Chamber of Automotive Industries (FCAI) position regarding a vehicle fuel efficiency standard for Australia, which includes: -that for MA vehicles (passenger cars and light SUVs) to have on average, CO2 emissions under 100g CO2 per kilometre by 2030; and that for MC+NA vehicles (heavy SUV's and light commercial vehicles) have on average under 145g CO2 per kilometre by 2030.
27. That Government update the national code of practice for the modification of light vehicles (Vehicle Standards Bulletin 14) for the installation of electric drives, and consider measures to reduce the cost of undertaking ZLEV conversions.
28. The uptake of all forms of zero and low-emission transport, including motorcycles, e-bikes and micro-mobility is best encouraged by suite of policy measures that target incentivisation, affordability, consumer education and marketing, and legislative reform.
29. That government consider the cost/benefit ratio of providing incentives and tax removal for second-hand ZLEVs.
30. Government must not implement measures that are likely to encourage parallel or grey imports of second-hand vehicles due to the considerable safety, financial, and legal risks involved for consumers and businesses.
31. That Government aid research and development and private investment in End-of-Life ZLEV disposal and battery recycling programs, through the provision of R&D grants, tax incentives and other measures to strengthen the ZLEV value chain.
32. That the use of tax incentives, R&D grants, training incentives, and other measures can be used to assist local manufacturers to invest in design, engineering, capital equipment and skilled labour to build zero and low emission heavy vehicles.
33. That government use R&D grants, tax incentives and other financial assistant to attract new manufacturing businesses.
34. That initial dialog around a nationally consistent road user charge for all light vehicles that can potentially fund the cost of road infrastructure in future, be instigated by Government.
35. That government, collaborate with the automotive retail, service and repair trades in regard to the ZLEV industry transition process, including the regulatory and associated impacts on businesses.
36. That the Federal Government boost the employer incentives and funding for ZLEV apprenticeship training.

Feedback not explicitly sought - Proposed Strategy Goals and Objectives

It is acknowledged that the consultation paper does not seek feedback regarding the proposed goals in the draft framework. However, MTA WA takes the view that in order to properly consider the proposed objectives in the draft National Electric Vehicle Strategy (Strategy), it is both prudent and important to first examine the goals to which they relate.

Question 'O' has been created to enable that discussion.

0. Do you agree with the proposed goals in the draft strategy? (MTA WA generated question)

While each of the five proposed goals (below) in the Proposed Framework for the National Electric Vehicle Strategy (Framework) have independent value, MTA WA asserts the status quo creates a number of unhelpful challenges.

[Proposed] Goals				
Make EV's more affordable	Expand ZLEV uptake and choice	Reduce emissions	Save Australians money on fuel	Increase local manufacturing

Table 1 - Proposed Goals section of draft Framework published in the Consultation Paper

Perhaps the most significant is that of a confused – and somewhat diluted – key message.

The consultation paper begins with a Ministers' foreword that focusses on reduction of vehicle emissions and is immediately followed by a section titled "*Current state*" that addresses nothing other than reducing transport emissions to achieve "*the global climate goal of keeping warming well below 2 degrees*". In fact, the need to reduce emissions is explicitly stated in 12 of the 14 sections in the document.

It is therefore self-evident that the goal of "*Reduce Emissions*" is critical and must remain.

However, MTA WA argues the clarity, credibility, and potency of the Strategy would be significantly enhanced if the other four proposed goals are not included in the final version of the Framework.

MTA WA's rationale for removing each is as follows:

Make EV's more affordable

- Primary concern: This goal is made redundant by the proposed objective, "*Encourage rapid increase of demand for EV's*" and thus, only dilutes the important key message.
- Other concerns include:
 - Raising expectations of ongoing direct government incentives that may result in costly recurrent expenditure and/or a broken "political" promise when reversed.
 - Some types of direct financial incentives may have the perverse effect of increasing the purchase price due to supply deficits.

Expand ZLEV uptake and choice

- Primary concern: This goal is made redundant by the proposed objectives, *“Encourage rapid increase of demand for EV’s”* and *“Increase supply of affordable and accessible EV’s to meet demand across all segments”* and thus, only dilutes the important key message.
- Other concerns include:
 - Raising expectations that government has the ability to expand the choice of available EV’s over-simplifies the commercial factors at play and may result in the perception of a broken “political” promise if not achieved.

Save Australians money on fuel

- Primary concern: It is currently correct that the cost/km ratio of electrically fuelled vehicles is generally less than those fuelled by LPG, petrol, or diesel. However, the retail price of electricity in Australia *“is expected to rise sharply”* (page 44 Budget October 2022-23, Budget Paper No. 1) which may lead to this goal being perceived as a broken “political” promise.

It should be noted that Australian motorists have been previously been encouraged (with incentives) to purchase diesel and then LPG fuelled vehicles on the promise of lower cost/km costs than vehicles that used the preceding prevailing fuel type. Sharp increases in the retail price of both fuel types have ultimately led to the current situation of neither fuel type saving Australians money on fuel.

- Other concerns include:
 - This proposed goal is too simplistic and thus, a risk to the credibility of the Strategy. The “cost” of motoring for many Australians is far more involved than the retail price of fuel (including electricity). Australian-specific issues such as our diverse geography and unique lifestyle preferences means factors such as the availability and speed of fuel supply across vast distances, relatively limited public transport options and the ability to tow caravans, trailers and boats must be considered in any genuine cost/benefit analysis.

Increase local manufacturing

- Primary concern: The draft Strategy creates a significant risk to its credibility by two seemingly contradictory claims: the government’s commitment to make EV’s more affordable by removing import tariffs; and the statement that the Strategy will consider *“Policy settings to encourage Australian manufacturing of EV’s”*.

Irrespective of how the inclusion of both statements might be rationalised, there is an undeniable public view that import tariffs exist to artificially inflate the cost of imported goods to ensure the viability of local manufacturers who have higher labour costs. Hence, without a plausible explanation of how policy settings can deliver cheaper imported vehicles while simultaneously encouraging Australian manufacturers to produce competitively priced alternatives, the inclusion of this goal is unnecessarily problematic.

Recommendation 1

Delete all Goals other than “Reduce emissions” in the Proposed Framework for the National Electric Vehicle Strategy.

Responses to Consultation Paper questions

1. Do you agree with the objectives and do you think they will achieve our proposed goals? Are there other objectives we should consider?

Objectives		
Encourage rapid increase of demand for EV's	Increase supply of affordable and accessible ZLEVs to meet demand across all segments	Establish the systems and infrastructure to enable the rapid uptake of EVs.

Table 2 - Proposed Goals section of draft Framework published in the Consultation Paper

MTA WA is broadly supportive of the three objectives (above) in the proposed Framework but notes with some trepidation, potential negative consequences caused by the specific choice of language in each.

Proposed objective 1 – *Encourage rapid increase of demand for EV's*

The word “rapid” has presumably been used to demonstrate the government’s desire for reform – a positive message. While amply achieving that outcome, it does so at the risk of creating two unnecessary and unhelpful “political” attack points.

The first is effectively a no-win situation for government.

On one hand, if the publicly stated objective to “rapidly” increase demand for EV's is delivered, the existing (and forecast) supply shortage would be exacerbated. In turn, unmet demand will increase retail prices of EV's, which would be easily painted as a policy failure.

MTA WA understands the value of, and need for, governments to sometimes use ambitious policy to create the demand required to motivate industry to increase supply. It is openly acknowledged that when a mature, stable market experiences a rapid increase in demand, it is often relatively easy for manufacturers with long-established processes and supply chains to quickly increase production.

However, the combination of a very ‘young’ manufacturing sector, global supply and labour shortages created by COVID-19 and extraordinary levels of demand from much larger and more accessible – left-hand drive – markets, means production rates are already being increased as fast as physically possible.

While far less likely, it is possible that long delivery delays could frustrate buyers to the point of choosing other options (including non-plugin hybrid vehicles that are currently not included in the government definition of ‘EV’), reducing the perceived speed of demand and ultimately exposing the Strategy to more unwarranted and unhelpful “political” critique.

Recommendation 2

Delete the word “rapid” from the first objective (Encourage rapid increase of demand for EV's) in the Proposed Framework for the National Electric Vehicle Strategy.

Proposed objective 2 - Increase supply of affordable and accessible ZLEVs to meet demand across all segments

It is acknowledged that this objective is based on the *COP26 declaration on accelerating the transition to 100% zero emission cars and vans* (declaration).

MTA WA is encouraged that the statement in the draft Strategy uses the word “segments” in place of “regions” in the COP26 declaration and the inclusion of incentives for plugin hybrids in the draft Strategy is also considered a sensible derivation from the COP26 Declaration.

Assuming these are intentional choices to reflect an acceptance of the unique challenges created by Australia’s geography and population distribution, it is considered very worthy and warmly welcomed.

While MTA WA sees great value in multi-jurisdictional agreements like the COP26 declaration, there is an undeniable need for some flexibility to enable local, fit-for-purpose adoption. Ideological zealots will likely argue the need for rigid commitments that equally bind all participants, but MTA WA and other advocates of practical public policy take the view that a slightly flexible approach will lead to an invaluable increase in global participation, engagement and ultimately, success.

Given these sensible concessions have already been accepted and the supply issues (explored later) Australia will likely continue to face for some time, MTA WA urges government to extend the scope of the Strategy slightly further to include ICE hybrid vehicles.

Recommendation 3

That the draft Strategy’s inclusion of some low-emission vehicles is extended to also include non-plugin hybrid vehicles that deliver similar GHG emission standards.

Proposed objective 3 - Establish the systems and infrastructure to enable the rapid uptake of EVs

MTA WA strongly supports the intent of this objective, but believe a small language change will reduce the likelihood of it becoming an unnecessary ‘rod for one’s back’.

While strong, definitive policy statements are generally preferred over those that appear to intentionally create ‘political wiggle room’, this proposed objective is almost impossible to achieve in the current environment and thus, creates a risk to the credibility of the and authenticity of the broader Strategy.

Furthermore, many of the “systems and infrastructure” required to enable the rapid uptake of ZLEVs in Australia are, at least partially, the remit of State and Local Government authorities and thus, not within the control of the federal government. Any perception that unachievable promises are being made in the Strategy will ultimately induce unhelpful cynicism among stakeholders.

Recommendation 4

Replace the proposed objective with “Support the establishment of systems and infrastructure to enable the fastest practical uptake of ZLEVs.”

Proposed objective 4 (new) – *Assist owners of legacy ICE vehicles to minimise emissions.*

Without regular maintenance, the efficiency of any mechanical device sharply declines with age.

Given the Strategy's primary goal is to reduce emissions and the majority of Australia's fleet will be aging ICE vehicles for many years to come, it would be remiss to not incentivise emission reduction in those vehicles during the transition to 100% EV.

Even in countries that have spent tens of billions of dollars over more than a decade to encourage the uptake of EVs, ICE vehicles continue to dominate many on-road fleets. While this fact rarely features in public conversation around the transition to EVs, it is not altogether surprising given the global average age of passenger vehicles is greater than 10 years (in Norway it is currently 18 years) and continues to steadily climb in most countries.

Among the top 30 countries by GDP in 2021, Saudi Arabia, UAE, China and Singapore had an average car age of less than 6 years whereas 36% reported an average car age of more than 12 years. Australia's 2021 *Motor Vehicle Census* found the average age of passenger vehicles in this country was slightly lower than the mean average of the group at 10.4 years - up from 10.1 the year before and 9.8 in 2016.

To be sure, the global average fleet age will climb at a faster rate in coming years as a direct result of the increasingly competitive and speculative public commentary about future fuel technologies.

Certainly, government incentives, social conscience and sheer novelty will compel those with the means to break the trend and upgrade their vehicles earlier than the norm. However, their relatively young second-hand cars will be purchased by more price-conscious consumers who are inclined to wait for the promise of next generation cost saving technology before upgrading again – ultimately increasing the age of the on-road fleet.

A second type of consumer will necessarily increase the average fleet age for some time to come – those with a need that cannot be met by current ZLEV technology or infrastructure. It would therefore be recommended that state governments are encouraged to introduce mandatory emissions testing on vehicles over 5 years of age to ensure that these vehicles are operating within established efficiency standards.

It is clear, for example, that it will be some time before Australians have access to a range of competitively priced ZLEVs capable of towing significant loads (such as caravans) over long distances. While there is speculation this and other significant gaps in the market will soon be filled, the reality is, owners with specific needs will retain ICE vehicles until ZLEV alternatives are readily available and proven to be fit-for-purpose – again adding to the average age of the fleet.

MTA WA therefore contends it is critical that the Strategy (and all future government policy) openly acknowledges the reality that ICE vehicles are the primary form of transport for many Australians, and will continue to be significant in number long after ZLEVs become 100% of new car sales.

Doing so will not only avoid the credibility trap of being seen to 'gild the lily' for political purposes, but will serve the arguably more important purpose of ensuring well-meaning policy does not inadvertently ostracise or burden Australia's most vulnerable and disadvantaged motorists.

Recommendation 5

That the final Strategy includes the new objective: “Assist owners of legacy ICE vehicles minimise emissions”

Recommendation 6

State governments should be encouraged to introduce mandatory emissions testing on vehicles over 5 years of age

Proposed objective 5 (new) – Provide direct support to upgrade electricity grids and generation

The capacity, flexibility and source of power grids are central to the reduction of emissions and increase the uptake speed of plugin electric vehicles.

In terms of the public charging network, using existing industry infrastructure is considered low-hanging fruit. While it is paramount that service stations are included in the ZLEV charging network, so can other automotive locations such as dealerships and independent repairers.

As most people will prefer to charge at home, government will need to consider shared costs for infrastructure to support charging availability and grid load balancing such as bi-directional vehicle charging. Bi-directional power is considered a game changer in transitioning drivers into ZLEVs given the capacity to charge cheaply and then upload the same power into the home during peak usage periods.

The need to ensure universal access to a stable and competent power network is obviously critical to plugin vehicle uptake. However, if emission reduction is genuinely the primary goal, the environmental impact of the generating source must not be worse than continuing with the current ICE fleet.

Recommendation 7

That government provide funding and policy support to enable upgrades of electricity grids.

Recommendation 8

That government provide funding and policy support to decarbonise the generation source of all grids.

Proposed objective 6 (new) – Assist Australia’s motor trades prepare for, and transition to, the government-engineered all-electric future

Almost everything is about to change for most of Australia’s motor trades.

Workshops in countries with advanced uptake consistently report the need for staff with new skills and upheaval in the form of costly changes to business equipment and processes.

For example, with the reduced service and repair work required for EVs, vehicles often spend less than an hour in the dealership, resulting in vehicle owners having to be strictly timetabled to reduce storage back-ups for the service provider.

This speed of vehicle turn-around and constant movement of cars in and out of a workshop has deeper ramifications for independent repairers, especially for smaller workshops in built-up areas. Tighter margins mean less capacity to offer any kind of uncharged service or advice which in turn, has somewhat ‘stiffened’ traditionally positive relationships with neighbours and local government authorities regarding issues such as parking and traffic management.

Australia's motor trades face an exciting and challenging future.

The challenges can be overcome, but a well-designed, collaborative plan is the essential ingredient to ensure Australia's motor trades are both confident and competent to embrace the changes ahead.

Recommendation 9

Include the new objective: *"Assist Australia's motor trades prepare for, and transition to, the government-engineered all-electric future."*

Proposed objective 7 (new) – Lead stakeholder engagement on the development of policy to address the inevitable decline in government revenue from fuel excise.

As liquid fuels such as petrol and diesel are replaced by electricity, the inevitable decline in government income derived from fuel excise will mean Australia will need to find a new way to subsidise the cost of building and maintain road infrastructure.

Two general options appear viable:

- a) not replacing the reduced income and drawing from consolidated revenue when required; or
- b) replacing fuel excise with a nationally consistent road user charge for passenger and light vehicles.

Both options would require navigation around some difficult obstacles, but the longer uncertainty about the true cost of owning a ZLEV vehicle exists, the slower the rate of uptake and its subsequent benefits.

Recommendation 10

Include the new objective: *"Government to expedite stakeholder engagement on policy to address the inevitable decline in government revenue from fuel excise."*

2. What are the implications if other countries accelerate ZLEV uptake faster than Australia?

MTA WA has strong concerns regarding the widespread characterisation of ZLEV uptake rates as a race between jurisdictions.

Interstate and international comparisons are often useful benchmarks in the development of public policy, but the credibility of any analysis is damaged when significant differences in geography, demography and lifestyle are not even acknowledged, let alone considered a factor in variation.

Nevertheless, to address the specific question, it is a statistical fact that many countries already have a higher ZLEV uptake than Australia and it is likely the ZLEV uptake of others will accelerate faster in the future.

While this may be alarming when viewed through a narrow ideological lens, when seen in a broader context, it is far less bothersome.

MTA WA accepts the basic principles of supply and demand apply in this situation. That is, if ZLEV uptake is accelerated faster in other countries, the most significant implication will be that manufacturers will continue to prioritise supply to those countries in preference to Australia. It must be remembered that Australia represents approximately 1% of global motor vehicle sales.

However, there are a number of mitigating factors that make it unlikely the Australian market will ever be the highest priority for off-shore manufacturers, irrespective of government incentives and policy.

Perhaps the most impactful are Australia's large physical size and relatively low population density.

Australia is more than 25 times larger than Norway and 18 times larger than Sweden, with a population density of 3.4 people per square kilometre, compared to 18.3 and 25.5 respectively. Importantly, 3.4 is the average Australian population density. Western Australia, for example, has only 1.1 people per square kilometre. Deeper examination of ABS data shows Western Australia's population density falls to only 0.2 ppl/km² outside the greater Perth area.

All other factors aside, the relative cost and time required to install the electrical generation and cabling infrastructure to create a functional network of charging stations across Australia will be enormous. Indeed, it is almost certain that a vast number of charging stations, particularly in regional Australia, will be reliant on GHG producing generators – such as diesel.

When combined with Australia's minuscule population density, there will also be a very large number of charging stations that are simply not busy enough to be attractive to commercial operators. This means the full cost of installation and maintenance of the most expensive infrastructure will fall to government and its limited tax-payer base.

It is fair to argue that other equally large countries, such as the USA, face the same challenge. Although, despite its larger landmass, the USA's population density is greater than 10 times the size of Australia, meaning many more charging stations will be located within existing electricity grids. This substantially reduces the cost of installation and guarantees a higher number of potential daily customers per charging station – making more of them commercially viable for operation by the private sector. Moreover, the costs of funding any remote charging stations that remain unprofitable can be more easily absorbed by government as a result of the much larger tax-payer bases at play.

Other mitigating factors likely to limit Australia's ability to achieve a high uptake rate include:

- lifestyle preferences such as the large community of caravan/trailer/boating owners
- Australia's very small new vehicle market (in global terms), further divided by being in the minority of right-hand drive countries
- the limited capacity of government to fund large, long term uptake incentives
- the lack of local car manufacturing.

Recommendation 11

That the final Strategy and future government messaging acknowledges the existence of genuine mitigating differences when statistical comparisons with other countries are made.

3. What are suitable indicators to measure if we are on track to achieve our goals and objectives?

As previously discussed, MTA WA asserts that the Strategy will be more credible, clear and potent if the final version identifies “Reducing emissions” as the single primary goal with others being identified as secondary “Enabling objectives” (or sub-goals).

Notwithstanding the outcome of that recommendation, MTA WA contends that there are a variety of indicators that government can use to measure progress against its final agreed goals/objectives. Many of these are also freely available and include the following:

EV demand and affordability indicators:

- *Number and percentage of ZLEV sales in each vehicle category and price bracket* - available from monthly new vehicle sales data (VFACTS) - Federal Chamber of Automotive Industries (FCAI)
- *Quarterly/annual ZLEV prices by vehicle type, size, model and brand*

EV supply/choice and uptake indicators:

- *The variety of new ZLEV models arriving in Australia by vehicle type, size, category and price bracket by manufacturer* – available through VFACTS data
- *Annual ZLEV registrations by state/territory and as a proportion of the vehicle fleet*

Systems and infrastructure:

- *Annual public/private ZLEV charger installations by type of charger by jurisdiction and region*
- *Distribution of public ZLEV chargers by jurisdiction and region*
- *Average distance between public ZLEV chargers by jurisdiction and region*

Manufacturing:

- *Annual counts of local ZLEV related manufacturing businesses by type of activity by jurisdiction* – can be collected by the Australian Bureau of Statistics (ABS)
- *Annual employment and industry value-added (\$) in manufacturing across the ZLEV value chain*

Emissions:

- *Quarterly greenhouse gas emissions for the road transport sector* – data is already being collected by the Department of Climate Change, Energy, the Environment and Water (DCCEW)

Saving money on fuel:

- *A CPI time series comparison of fuel prices versus electricity prices/tariffs, including the percentage change over time for each* – can be derived from ABS data
- *Index numbers relating to fuel prices and electricity prices by jurisdiction* – already available from ABS

There are also many other measures that can be used, including the modelling of specific data as required.

MTA WA advises that all indicators selected by government must be statistically robust and compiled through reputable sources, including the provision of appropriate metadata and explanatory information.

4. Are there other measures by governments and industry that could increase affordability and accessibility of ZLEVs to help drive demand?

While there are a number of specific barriers limiting the growth of demand for ZLEVs in Australia, most can be sorted into two broad categories - Vehicles and Infrastructure.

Vehicles

Consumer costs - Vehicles

High upfront costs remain a major barrier to greater uptake of ZLEVs in Australia. Around 65 per cent of Australians spend less than \$50,000 on a new vehicle, but only a handful of ZLEVs are priced under \$50,000. The current price differential between a mid-sized ICE vehicle and comparable ZLEV is around \$30,000.

For the Australian government to help close the internal combustion engine vs ZLEV price parity gap it will need to provide cash subsidies (on top of State-based incentives) and remove vehicle purchasing taxes including GST, Stamp Duty and Luxury Car Tax for ZLEVs – including appropriate second-hand vehicles.

Recommendation 12

That governments provide a cash incentive of \$10,000 for new ZLEV purchases and \$5,000 for purchases of second-hand ZLEVs.

Recommendation 13

That the federal government remove all purchasing taxes including GST, Stamp Duty and Luxury Car Tax for ZLEVs.

Consumer costs - Insurance

The cost of obtaining insurance for electric vehicles has also emerged as a key barrier impacting on the affordability and demand for EVs, particularly for lower-income households. Exorbitant premiums are being charged for ZLEV insurance by some insurance companies, which can be up to 300 per cent higher than over a comparable ICE vehicle. There is little justification for cost increases of this magnitude, which can negate the benefits of lower running costs of ZLEVs and be a 'deal breaker' for many people considering the purchase of an EV.

Recommendation 14

That the government immediately investigate the high cost of insurance for ZLEVs and ZLEVs with the aim of identifying opportunities to bring premiums to parity with ICE equivalents.

Consumer choice - Increasing choice of models

In July 2022, single and dual cab utilities occupied four of the top 10 sales positions, with small and large SUVs taking a further five positions. Only one passenger vehicle was in the top 10 of motor vehicles sold in July 2022. There are currently no electric utility vehicle offerings in Australia with very limited availability expected over the short to medium term.

Consideration should be given to providing government incentives for manufacturers to supply current and planned SUV and utilities to the Australian market.

Recommendation 15

That the government consider incentives for manufacturers to supply ZLEV SUV and utility vehicles that are currently not available in Australia.

Consumer needs - Range and Towing capacity

A significant barrier to uptake is the lack of right-hand drive ZLEVs able to deliver the range and towing capacity required by many Australian motorists. This situation is unlikely to change in the medium term due to a relative lack of demand globally.

However, these needs can be immediately met by non-plugin (but still low-emission) vehicles already available in Australia.

If government shifted its policy preference from zero-emission tailpipe emissions to maximum whole-of-life net emissions, there would be an immediate increase in the number and variety of affordable vehicles available to the Australian market, including models that can deliver required range and towing capacities.

Furthermore, mandating maximum “cradle to grave” net emissions - including raw materials, manufacture and disposal - will deliver greater environmental benefits than arbitrarily supporting uptake of vehicles that may have zero emissions at the tailpipe but ultimately create significantly higher GHG emissions over their lifetime.

Recommendation 16

That government increase the availability, capacity and affordability of low emission vehicles by setting policy based on whole of life (net) emissions rather than arbitrary drive types and acute tailpipe emissions.

Infrastructure and policy

Public charging facilities

Whilst governments and the private sector are investing in public ZLEV charging infrastructure, the scale of this investment must rapidly escalate in order to grow consumer confidence concerning the availability of ZLEV charging facilities.

International best practice shows that ideally there should be one high-speed ZLEV charger for every 10 ZLEVs on-road, and charging banks of between six to eight chargers every 50 to 75kms along major roads and highways - not every 150 to 200 kms as is currently proposed for Australia

Recommendation 17

That government rapidly increase the number of public ZLEV charging facilities to grow consumer confidence, especially along major highways in regional areas.

Incentivising private investment in public infrastructure

Tax benefits and other incentives would encourage more private investment in the installation and management of public ZLEV charging infrastructure. This would, in turn, increase consumer confidence regarding the viability of ZLEVs and thus support faster uptake across the community.

Recommendation 18

That government consider incentivising private investment in high-speed public ZLEV charging facilities.

Support for owners of high-density residential property

Not all households are able to charge an ZLEV at their place of residence. This is a significant barrier for many apartment/flat dwellers that may lack either a separate garage or access to off- street charging.

There are also body corporate and landlord issues that may hinder the installation of charging infrastructure, and thus act as a disincentive for many people to purchase an EV. Government should consider what options it can provide to affected parties in these situations, including the provision of tax incentives, grants or rebates for the installation of ZLEV charging infrastructure

Recommendation 19

That government consider options to facilitate ZLEV charging for apartment/flat dwellers and other households that lack access to off-street ZLEV charging or are denied the opportunity to do so by body corporates, landlords or other entities. This could include the provision of tax incentives, grants or rebates for the installation of ZLEV charging infrastructure.

5. Over what timeframe should we be incentivising low emission vehicles as we transition to zero emission vehicles?

MTA WA maintains that if reducing GHG emissions is the primary goal, government must consider policy in terms of the whole-of-life net emissions of vehicles rather than arbitrarily assuming vehicles with no tail-pipe emissions provide the best environmental outcomes.

While some may argue that low-emission vehicles such as petrol hybrids are merely a transitional or bridging step to a zero-tailpipe emission future, MTA WA insists that on a 'cradle-to-grave' net emission basis, it is likely that a variety of fuel technologies will meet acceptable minimum GHG emission standards.

Hence, the MTA WA does not support the intentional removal of support for any particular type of technology. Rather, it is far more logical for government incentives to be narrowed over time based solely on tighter whole of life emission standards.

Recommendation 20

That government immediately shift its policy focus from support for specific technologies to support for minimum whole-of-life (net) emissions standards, irrespective of fuel type.

Recommendation 21

When uptake of low emission vehicles reaches an acceptable level, government incentives be narrowed based solely on tighter whole-of-life (net) emission standards, not any specific technology.

6. What information could help increase demand and is Government or industry best placed to inform Australians about EVs?

Both industry and government have important roles to play in informing Australians about global GHG emissions in the transport sector.

To build consumer confidence and support for transition, a primary focus must be the provision of credible, balanced information that is based wholly on science and not ideology or aspiration.

Furthermore, it is critical that government participation in multi-jurisdictional agreements and declarations are done so with flexibility to enable fit for purpose application of policy to allow for genuine differences between the signatorys' geography, demography and lifestyles. In order to maintain credibility and the support of the Australian public, the full extent of any such agreements must be communicated to the Australian public without hyperbole.

More broadly, government can also support industry and the community by helping boost consumer knowledge, confidence and demand for ZLEVs through the provision of the following information:

- Official (government managed) ZLEV public charging maps, including whether chargers are out of service, charging speed, available connection types, charging prices and waiting times based on sensors in waiting bays.
- Up to date comparative information regarding the affordability and cost savings between ZLEVs and ICE vehicles.
- In collaboration with manufacturers, current stock levels and expected delivery delays of ZLEVs and other low-emission vehicles.

Recommendation 22

That government requires operators of public charging infrastructure to provide up to date information to enable government sanctioned maps including the status, capacity and waiting times at each charging station.

Recommendation 23

That government maintains publicly accessible up-to-date comparative information regarding the cost savings, availability, specifications and expected delivery times of ZLEV and ICE vehicles.

7. Are vehicle fuel efficiency standards an effective mechanism to reduce passenger and light commercial fleet emissions?

Fuel efficiency standards are a widespread mechanism used by policymakers globally to ensure new cars are more efficient and less polluting over time. Whilst Australia is one of the few vehicle markets in the world that does not have mandatory fuel efficiency standards, many vehicles currently supplied to Australia already meet a strict fuel efficiency standard.

Effectively, fuel efficiency standards place a cap on how many vehicles can be sold by a car maker without fuel-efficient vehicles (like hybrids and EVs) being added to the equation. Selling more fuel-efficient

vehicles typically reduces the fleet cap, thereby balancing sales out and reducing fleet emissions. If too many less fuel-efficient vehicles are sold, car makers may be penalised.

However, MTA WA is conscious that fuel efficiency standards can be a blunt instrument to reduce emissions and should not be used in isolation.

Typically, fuel efficiency standards are used in conjunction with other incentives and stimulatory measures by governments globally that ensure zero and low-emission vehicles are a more attractive and affordable proposition for consumers. It is only when they are combined as part of an integrated package of policy measures that fuel efficiency standards are at their most effective in reducing passenger and light commercial vehicle emissions.

8. Would vehicle fuel efficiency standards incentivise global manufacturers to send ZLEVs and lower emission vehicles to Australia?

There is considerable conjecture surrounding the lack of a fuel efficiency standard for Australia, and the role this has in the lack of accessibility or supply of sufficient ZLEV models to Australia.

Whilst not opposed to the introduction of a fuel efficiency standard, MTA WA strongly contends that as a stand-alone measure, it will do little to increase the affordability of EVs.

For a fuel efficiency standard to achieve its objectives, MTA WA argues that it needs to part of a suite of measures targeting the upfront affordability, demand and supply of EVs. This is the experience of most countries around the world, where fuel efficiency standards are combined with ZLEV price subsidies, tax credits, rebates, and other incentives to bring down the cost of ZLEVs to consumers and entice the supply of sufficient ZLEV stock into their markets. Their success to date, has not been because of a fuel efficiency standard per se.

Furthermore, MTA WA believes that the development of any fuel efficiency standard for Australia must take account and be reflective of Australian vehicle preferences and choices

Recommendation 24

That any fuel efficiency standard for Australia must be combined as part of a broader package of incentives aimed at improving the affordability, demand and supply of EVs, including price subsidies, tax credits, rebates and other incentives. A fuel efficiency standard for Australia must also take account of Australian vehicle buying preferences and choices.

9. In addition to vehicle fuel efficiency standards for passenger and light commercial vehicles, would vehicle fuel efficiency standards be an appropriate mechanism to increase the supply of heavy vehicle classes to Australia?

Fuel efficiency standards have the potential to impact heavy vehicles classes similar to that of light vehicles. However, at this point in time, battery electric vehicle technology is less advanced for heavy vehicle applications, and hydrogen fuel cell technology is still in its relative infancy.

Until such time that these technologies are effectively commercialised across all heavy vehicle classes, the imposition of a fuel efficiency standard will have very little impact on the supply of heavy vehicles to Australia.

MTA WA therefore considers a fuel efficiency standard relating to heavy vehicles to be inappropriate at this point in time.

Recommendation 25

That a fuel efficiency standard for heavy vehicles be postponed until such time that zero-emission technologies, including battery electric and/or hydrogen fuel cell technologies are effectively commercialised across all heavy vehicle classes.

10. What design features should the Government consider in more detail for vehicle fuel efficiency standards, including level of ambition, who they should apply to, commencement date, penalties and enforcement?

MTA WA contends that any fuel efficiency standard for Australia should be designed specifically for the Australian vehicle market, taking account of Australian vehicle buying preferences and choices and the specific differences in vehicle consumption patterns between inner-city, outer suburban and regional areas – all of which can differ widely.

To this extent, MTA WA supports the Federal Chamber of Automotive Industries (FCAI) position regarding a vehicle fuel efficiency standard for Australia, which includes the following:

- That for MA vehicles (passenger cars and light SUVs) to have on average, CO₂ emissions under 100g CO₂ per kilometre by 2030
- That MC+NA vehicles (heavy SUV's and light commercial vehicles) have on average under 145g CO₂ per kilometre by 2030

To this extent, the MA outcome for 2021 was an average of 146.5 grams of CO₂ for every kilometre travelled, and the MC+NA outcome was 212.5 grams of CO₂ for every kilometre travelled.

These standards are compatible with ANCAP local safety standards, and MTA WA is of the view that government must not set an emissions target that compromises vehicle and occupant safety in any way.

Recommendation 26

MTA WA supports the Federal Chamber of Automotive Industries (FCAI) position regarding a vehicle fuel efficiency standard for Australia, which includes: -that for MA vehicles (passenger cars and light SUVs) to have on average, CO₂ emissions under 100g CO₂ per kilometre by 2030; and that for MC+NA vehicles (heavy SUV's and light commercial vehicles) have on average under 145g CO₂ per kilometre by 2030.

11. What policies and/or industry actions could complement vehicle fuel efficiency standards to help increase supply of ZLEVs to Australia and electrify the Australian fleet?

In addition to the policy measures outlined in the response to Q4, legislative reform relating to the conversion of existing ICE vehicles to electric propulsion may help increase the electrification of the Australian vehicle fleet.

Many Australians are fondly attached to their ICE vehicles, and in the case of those driving utilities and 4WD drive vehicles, there are little if any electric replacement options available in the market. For these drivers, converting their respective ICE vehicles to electric may be a viable option if it was supported by appropriate policy measures. These measures should include:

- An updating of the standards and national code of practice relating to the modification of light vehicles for the installation of electric drives. The current standard – Vehicle Standards Bulletin 14 (VSB 14) was implemented more than a decade ago (2011), and is in urgent need of being updated to ensure that ZLEV guidelines are fit for purpose, in-line with current global standards and meet safety requirements
- The provision of subsidies or rebates for ZLEV conversions of ICE vehicles. ZLEV conversion costs can be extremely expensive, costing on average \$50,000 or more depending on the vehicle. This cost can be a disincentive for many people considering converting their existing ICE vehicle to electric, and any financial measures that reduce the cost of undertaking an ZLEV conversion may help increase the electrification of the Australian vehicle fleet.

Recommendation 27

That Government update the national code of practice for the modification of light vehicles (Vehicle Standards Bulletin 14) for the installation of electric drives, and consider measures to reduce the cost of undertaking ZLEV conversions.

12. Do we need different measures to ensure all segments of the road transport sector are able to reduce emissions and, if so, what government and industry measures might well support the uptake of electric bikes, micro-mobility and motorbikes?

MTA WA is of the view that the uptake of all forms of zero and low-emission transport is best encouraged by a suite of policy measures that target incentivisation, affordability, consumer education and marketing, and legislative reform.

To this extent, many of the measures discussed in the response to Q4 can equally apply to electric motorcycles, electric bikes and micro-mobility transport. This includes the provision of price subsidies, rebates or tax credits that reduce the upfront cost of these respective transport options and stimulate their uptake.

On the legislative front, current regulations for e-bikes and micro-mobility transport are highly restrictive.

E-bikes imported into Australia must comply with a European standard that limits their speed to only 25 kilometres per hour under power. This effectively reduces their suitability for longer commuting distances. American and Canadian e-bike regulations by contrast, allow a capped speed of 32 kilometres per hour,

and the adoption of North American e-bike standards may help increase the uptake of electric bikes in Australia, given that they make longer commuting distances feasible.

Recommendation 28

The uptake of all forms of zero and low-emission transport, including motorcycles, e-bikes and micro-mobility is best encouraged by suite of policy measures that target incentivisation, affordability, consumer education and marketing, and legislative reform.

13. How could we best increase the number of affordable second hand EVs?

MTA WA contends that growth in the second-hand ZLEV market is best supported by government policies that stimulate growth in the new ZLEV market in Australia. This enables the building up a critical mass of new ZLEVs in Australia, leading to an expansion in the second-hand ZLEV market, thus increasing the availability of more affordable second-hand EVs.

Having said that, government incentives to reduce the purchase price of second-hand ZLEVs would be advantageous in achieving the recommended primary goal of reducing emissions by further lowering cost barriers across all segments.

Recommendation 29

That government consider the cost/benefit ratio of providing incentives and tax removal for second-hand ZLEVs.

14. Should the Government consider ways to increase the supply of second hand ZLEVs independently imported to the Australian market? Could the safety and consumer risks of this approach be mitigated?

MTA WA does not support policies aimed at flooding the Australian vehicle market with parallel or 'grey imports' of second-hand EVs. Such policies are fraught with risks and danger both for consumers and businesses alike, and MTA WA condemns such measures in the strongest possible terms. The risks associated with such measures are considerable and include:

- That the responsibility for vehicle recalls affecting 'grey import' ZLEVs does not lie with the original manufacturer. Buyers of these vehicles could therefore be exposed to significant financial costs and legal issues when seeking to resolve vehicle faults linked to manufacturer recalls. Furthermore, carmakers are not able to track these vehicles in the case of a recall, as they are given a new Vehicle Identification Number (VIN) when they arrive
- Buyers also do not have any recourse under the Australian Consumer Law (ACL) for any issues or faults that arise with these vehicles. Potentially, these issues can be considerable as these vehicles were not originally designed for the Australian market and its harsh operating environment. Reforming the ACL to protect consumers that purchase second-hand grey import ZLEVs is a costly and difficult exercise to undertake

- Sourcing replacement parts for these vehicles can be very problematic, even for dealers and repairers, and owners may face difficulties finding repairers willing to undertake the repair work or insurance companies that will cover the vehicles
- Access to service and repair information can also be problematic, particularly for cars originally destined for a non-English speaking market

For these and many other reasons, MTA WA advises the Government against implementing measures that will flood the vehicle market with more parallel or grey imports of second-hand EVs.

Recommendation 30

Government must not implement measures that are likely to encourage parallel or grey imports of second-hand vehicles due to the considerable safety, financial, and legal risks involved for consumers and businesses.

15. What actions can governments and industry take to strengthen our competitiveness and innovate across the full lifecycle of the ZLEV value chain?

Whilst MTA WA appreciates that the Australian Government is working to develop Australia's critical minerals sector and build downstream mineral processing capabilities through its Critical Minerals Strategy and Australian Made Battery Plan, these initiatives only concentrate on a small fraction of the overall ZLEV value chain.

That said, government should be encouraging the development of an Australian battery manufacturing capacity. It is critical that the development of a battery manufacturing sector not be restricted to only the ZLEV segment, but also include essential elements such as household battery storage.

MTA WA believes that Government must consider each segment within the ZLEV value chain and determine their potential contribution to industry-value added (\$) to Australia's economy, and take actions to strengthen our competitiveness in the segments where the economic returns are highest.

For example, one area with a high industry value-add to the economy is an End-of-Life ZLEV disposal and battery recycling program. Government can help foster growth in this area through the provision of research and development grants and tax incentives that strengthen private investment in these programs, and facilitate greater innovation, competition, and export income for Australia.

Recommendation 31

That Government aid research and development and private investment in End-of-Life ZLEV disposal and battery recycling programs, through the provision of R&D grants, tax incentives and other measures to strengthen the ZLEV value chain.

16. How can we expand our existing domestic heavy vehicle manufacturing and assembly capability?

Domestically produced heavy vehicles account for approximately half of the heavy vehicle market in Australia. Whilst this is a healthy market share, if the premise of Q16 relates to expanding domestic manufacturing capability to hydrogen trucks or electric trucks, then the use of tax incentives, R&D grants, training incentives, and other measures can be used to assist local manufacturers to invest in design, engineering, capital equipment and skilled labour to build zero and low emission heavy vehicles.

Recommendation 32

That the use of tax incentives, R&D grants, training incentives, and other measures can be used to assist local manufacturers to invest in design, engineering, capital equipment and skilled labour to build zero and low emission heavy vehicles.

17. Is it viable to extend Australian domestic manufacturing and assembly capability to other vehicle classes?

Whilst the thought of extending Australian manufacturing capability to other vehicle classes such as electric motorbikes, all-terrain vehicles, jet skis, e-bikes, etc may sound attractive, the practicalities and economic realities of engaging in such manufacturing activity may be less compelling. There is however, a compelling argument to support small manufacturers targeting niche markets.

The reality is that the Australian market for these vehicle classes is very small by international standards, and for such manufacturing activity to be profitable and sustainable, it would also need to be developed for global export markets. This would require significant investment in capital equipment and skilled labour to enable the building of a critical mass that will achieve economies of scale, that would make the unit costs of production competitive, and therefore be able to service both Australia and export markets.

A key difficulty in this scenario is that labour costs in Australia are very high compared to most other countries, which makes it difficult for Australian produced goods to compete with imported products on price without some form of government assistance. This was a key issue in the demise of local passenger car manufacturing in Australia.

If the Government is serious about encouraging domestic manufacturing of other vehicle classes, then the use of R&D grants, tax incentives and other financial assistance must be considered to attract new start-ups towards such manufacturing. Alternatively, the Government may wish to partake as a stakeholder in such ventures in public/private partnership arrangements, where the risks and returns are spread over more than one entity.

Recommendation 33

That government use R&D grants, tax incentives and other financial assistant to attract new manufacturing businesses.

18. Are there other proposals that could help drive demand for ZLEVs and provide a revenue source to help fund road infrastructure?

Apart from addressing the ZLEV affordability constraints for the mass private market as detailed earlier in this submission, consumer confidence in being able to readily access ZLEV charging facilities away from home or work, is paramount to helping drive demand for EVs. Whilst the National Electric Vehicle Strategy and the Driving the Nation Fund make commitments towards the establishment of a national ZLEV charging network, the level of ambition attached to both is insufficient in addressing consumer concerns.

The Government's commitment of having ZLEV charging stations available at an average interval of 150km to 200km on major roads, does not correlate with best practice internationally. The evidence from the European Union indicates that a reliable ratio of public charging stations for ZLEVs would include at least one charging station for every 10 ZLEVs and charging banks of between six to eight chargers every 50 to 75kms along major roads and highways. These estimates indicate that federal governments will need to work with state and territory governments and the private sector in a coordinated manner, to ensure that the recommended ratio of ZLEV chargers to ZLEVs is in line with EU best practice. This will give people greater confidence to purchase EVs, regardless of location or their destination. A portion of revenues derived from this charging network could also help fund road infrastructure.

In the long run, however, the decline in future fuel excise from reduced consumption of petrol and diesel will mean that Australia will need to find a more sustainable way to pay for roads. Whilst a system for setting nationally consistent charges to recover the costs of road use for heavy vehicles has been in operation since 1996, no similar system has been contemplated for light vehicles. A nationally consistent road user charge for all light vehicles can potentially fund the cost of road infrastructure in future, and whilst there are many obstacles to overcome with such an initiative, this shouldn't preclude having a national conversation on the matter sooner rather than later.

Recommendation 34

That initial dialog around a nationally consistent road user charge for all light vehicles that can potentially fund the cost of road infrastructure in future, be instigated by Government.

19. What more needs to be done nationally to ensure we deliver a nationally comprehensive framework for EVs?

As outlined in the response to Q1, the automotive industry is the most important stakeholder in the ZLEV transition process and should be explicitly included within the ZLEV framework. Government must engage with and focus on the automotive retail, service and repair sectors, which will have primary carriage of the ZLEV industry transition and its likely impact on business practices, skills and employment.

For an industry heavily steeped in traditional petrol and diesel technology, the move to zero and low-emission vehicles represents a major shift for Australia's automotive industry. A transition that many automotive businesses are ill-equipped to make. Battery electric vehicles require major capital investments by automotive businesses in new tooling, charging infrastructure and skills training. For many automotive businesses, these transitional costs will be prohibitive. It is therefore critical that the Government takes a leadership role to ensure industry transition to ZLEVs is seamless and minimises business and employment losses within the community. The automotive retail industry is best placed to

provide expert advice to government on ZLEV transition policy, as opposed to power or energy suppliers who are significantly removed from the automotive frontline.

Therefore, discussions between government and industry on these matters need to be undertaken as a matter of priority. Consideration is also required to exploit current infrastructure by supporting ZLEV charging facilities in automotive business premises such as dealerships, independent repairers, and fuel service stations. Enhanced ZLEV workforce skills development will be important in supporting a sustainable ZLEV transition. Currently the automotive service and repair industry lacks the necessary skills needed to service and repair zero emission vehicles. Adding to the problem is the fact accredited ZLEV training is only available in South Australia, Queensland, and Western Australia, with the cost for businesses to upskill their existing technicians with ZLEV training being exorbitantly high, not including travel and accommodation expenses and lost productivity.

Evidently, there are many moving parts that need to be considered within a nationally comprehensive ZLEV framework, with the automotive industry being at the centre and frontline of the transition. MTA WA therefore recommends that the Federal Government instigate the following:

Recommendation 35

That government, collaborate with the automotive retail, service and repair trades in regard to the ZLEV industry transition process, including the regulatory and associated impacts on businesses.

Recommendation 36

That the Federal Government boost the employer incentives and funding for ZLEV apprenticeship training.

20. How can we best make sure all Australians get access to the opportunities and benefits from the transition?

As discussed throughout this submission, there needs to be comprehensive thinking around a package of measures that facilitate and support both industry and consumers to partake in the transition towards zero and low-emission vehicles over this decade and beyond. Affordability is a key issue pertaining to EVs, that will likely be a major barrier for most consumers until at least the end of this decade. This means that the Government's 2030 ZLEV targets are unlikely to be achieved unless further measures are undertaken to reduce the upfront cost of new ZLEVs for the private market, who currently have little support in terms of ZLEV affordability.

It is also important to acknowledge that as part of the transition, a mix of technologies will be in operation over the next 15 years or more. This will include electric, hybrid, plug-in-hybrid, hydrogen fuel cell, biofuels, as well as petrol and diesel vehicles. It is critical that Government must not undertake punitive measures and cause a social divide against consumers that continue to operate petrol and diesel vehicles over the remaining years, as this will not serve the interests of all Australians over the transition period.

The automotive industry is a key stakeholder and enabler in the ZLEV transition process, however, the Government has not formally identified it within its ZLEV framework, which is concerning. There is a considerable array of issues pertaining to the retail automotive industry, as discussed throughout this paper, which if not acknowledged and addressed, may jeopardise the Government's ZLEV goals, or the timeliness of those goals. The importance of the industry in this respect cannot be underestimated.



Finally, there are the ZLEV charging infrastructure barriers that deny many Australian the opportunity to partake in the transition. Without re-iterating everything already covered, whether it be barriers for those without access to or who are denied off-street ZLEV charging, barriers for regional/rural communities or the large physical distances between ZLEV charging station on main roads and highways, these deny many Australians of the opportunities and benefits from the transition, which Government must also address accordingly.