

MTA NSW welcomes Government EV loan scheme but calls for universal subsidies to accelerate adoption

Of the \$60 million, \$40 million will be allocated to independent automotive repairers to install EV charging stations as NSW leads the transition to electric vehicles

New South Wales, 19 December 2024: The Motor Traders' Association of New South Wales (MTA NSW) welcomes today's announcement by the Australian Government to offer discounted loans for electric vehicles (EVs). This important initiative represents a major milestone in accelerating the adoption of EVs and building momentum towards a cleaner, more sustainable transportation future.

Backed by \$150 million from the Clean Energy Finance Corporation (CEFC), the program will provide low-interest loans to workers earning less than \$100,000 annually, as well as essential workers including police officers, teachers, firefighters, and nurses.

It is understood that the loans will be available for both new and used EVs, helping bolster consumer confidence by strengthening the residual value of these vehicles.

"MTA NSW commends the Government for taking this proactive step to make low-emission transport more accessible to everyday Australians," said Stavros Yallouridis, CEO of MTA NSW. "However, to truly accelerate our transition to meet environmental targets, we encourage policymakers to consider adopting more comprehensive support measures, similar to successful European models that provide universal purchase subsidies regardless of vehicle value or buyer income."

Yallouridis emphasised that while targeted support is welcome, a broader subsidy framework could significantly accelerate Australia's EV adoption rate.

"The experience in the European markets shows that universal subsidies can dramatically accelerate the transition to electric vehicles. This comprehensive approach could be transformative for Australia's emissions reduction goals."

The announcement comes just ahead of the implementation of Australia's first-ever New Vehicle Efficiency Standard (NVES) on 1 January 2025. The NVES will play a pivotal role in accelerating the transition to low-emission vehicles and ensuring Australians have access to more sustainable options.

"We're pleased that the Government has listened to industry and is complementing the 'stick' of fuel efficiency standards with the 'carrot' of consumer incentives," Yallouridis said. "In order for the automotive industry to thrive during this shift, consumers must be willing and able to adopt cleaner vehicles. As seen overseas, strategic incentives are essential pieces of the puzzle to drive uptake."

In addition to the loan program, MTA NSW applauds the Australian Government's broader strategy to encourage EV uptake. This includes the \$60 million dealer EV charging

infrastructure fund, Fringe Benefits Tax (FBT) exemptions, and dedicated financial support for apprentices working on EVs. Such measures ensure the automotive retail sector is adequately prepared to meet surging demand.

“Dealerships and independent repairers lie at the heart of Australia’s automotive transition,” Yallouridis continued. “Their skills, tools, and services ensure EVs are sold, maintained, and repaired safely and effectively. Ongoing investment in their capabilities will be critical to building public confidence and enabling widespread EV adoption.”

MTA NSW remains dedicated to working closely with the Australian Government, automotive businesses, and consumers to guide a successful, sustainable transition to electric vehicles in New South Wales, while continuing to advocate for policy settings that will maximise the speed and scale of EV adoption.