

**MOTOR TRADES
ASSOCIATION
OF AUSTRALIA**

**National Electric Vehicle Strategy
Consultation Paper
Submission by the Motor Trades
Association of Australia**

31 October 2022



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Contents

Executive Summary	4
Introduction	5
An EV Strategic Plan	5
Lagging or a chance not to repeat Lessons Learned	6
Recommendations	9
01 The Plan.....	9
02 Goals, Objectives and Actions	10
03 What More can we do to meet our goals and objectives?	11
Targets and Milestones.....	11
Infrastructure	11
Incentives, Subsidies & Penalties	12
Jobs & Skills	12
Taxation & Tariffs.....	13
Fuel Standards & Security	13
Fleet Management.....	13
End-of-Life Vehicle recycling and re-use.....	14
Education & Awareness	14
Strategy Framework questions	15
2.1 Goals, Objectives, Actions.....	15
2.3.2 Global Action.....	19
2.4 Ongoing Periodic review	21
3.1 What more can we do to meet our goals and Objectives	24
3.2 Increase supply of affordable and accessible EVs to meet demand across all segments	31
3.3 Establish the Systems and Infrastructure to enable the rapid uptake of EVs.....	38

EXECUTIVE SUMMARY

The Motor Trades Association of Australia Limited (MTAA), State and Territory Member Associations and their thousands of automotive business constituents nationwide welcome the Federal Government's determination to develop and implement a comprehensive National Electric Vehicle (EV) Strategic Plan as a critical output of its Powering Australia Policy.

MTAA believes the Consultation Paper with outlined Goals, Objectives and Actions is a constructive start in capturing critical issues and considerations but would benefit by including other matters if Australia is to achieve the substantial outcomes required in relatively short timeframes.

MTAA respectfully suggests in this submission that as well as the stated goals and objectives in the Consultation Paper, the National EV Strategic Plan must include other critical areas that will influence and impact output achievement and mitigate risks of unintended outcomes. These include Federally led and nationally consistent targeting of incentives and subsidies; supporting EV charging infrastructure at home and publicly; proper consideration of tax implications; workforce requirements for the existing as well as emerging national passenger car fleet; support for considerable adjustment across 13 industries and the recognition and inclusion of a sustainable, effective, and efficient, destruction and disposal of thousands of End-of-Life Vehicles as EV transition gathers momentum.

The National EV Strategic Plan also provides a rare opportunity for a new government to increase collaboration and partnership between consumers, government, and industry, and between government portfolios with shared accountability and responsibility for Plan outcomes. MTAA suggests the Departments of Climate Change, Energy, the Environment and Water (DCCEEW) and Infrastructure and Transport are well placed to provide the cornerstone leadership of a robust approach that also brings in Treasury, Finance, Education, Jobs and Skills, Small Business, and other portfolio expertise as required. This could be best achieved by establishing interdepartmental and industry-government task forces to oversee implementation, triage and respond to emerging issues, monitor, review and, when appropriate, change Plan priorities, objectives, and actions with shared ownership.

In 2015 at an MTAA-convened automotive summit, issues including road user charging as a replacement for diminishing exercise tax revenues, the jobs and skills required to transition to a new electric fleet, and the transition of domestic automotive industries and businesses were all at the forefront of discussion and analysis. Since then, and absent Federal policy initiative, MTAA and its Members have continued investigations and analysis of global change, approaches by jurisdictions and potential application in the Australian context.

In September 2022, this work culminated with face-to-face meetings with associations, companies, and businesses across Europe by MTAA's Member Executive Leadership Team. Critical observations, particularly lessons learned from those who have already travelled the highways of electric-powered policy change and grassroots delivery, feature in this submission but will be provided in a separate comprehensive report to be released soon.



INTRODUCTION

AN EV STRATEGIC PLAN

Tackling the complex issues influencing and impacting the necessary transition of Australia's passenger and light commercial fleet of 20 million vehicles through a government-led comprehensive strategic plan is overdue. MTAA welcomes the draft approach outlined in the Consultation Paper leading to the finalisation and implementation of a comprehensive National EV Strategic Plan.

The Plan is an opportunity to unite interdependent strategies, timelines, milestones, and other elements under a single cohesive national approach. Australia can only begin to meet now legislated targets for Greenhouse Gas Emission (GHG) reductions by addressing current domestic transport sector contributions of around 18% and the specific contributions of the national passenger and light commercial vehicle fleet.

The election of a new government with new policy approaches outlined in the Labor Party's *'Powering Australia' Policy* and the development of a National EV Strategic Plan provide the necessary catalyst for action.

With this environment in mind, MTAA and its State and Territory Members have sought to facilitate and coordinate actions to address another change inhibitor - fragmented industry views and positions on transitioning the fleet to EV. In July 2022, at a summit organised by MTAA, ten peak automotive industry representative organisations reached an agreement on 27 formal positions in critical areas of EV Transition, including Targets and Milestones, Incentives Subsidies and Penalties, Jobs and Skills, Tariff and Taxation, Fuel Standards and Security, Fleet Management, and Education and Awareness. A critical position adopted included agreement on the need for mandatory new car fuel efficiency standards to set a Co2 target for grams of co2 per kilometre emitted by the vehicle. Collaboration continues to arrive at an appropriate standard that is both ambitious and recognises the Australian context.

An important factor often overlooked in any generational transition is the role of government in industry and consumer adjustment. The Consultation Paper recognises many of the matters and considerations underpinning an effective Strategic Plan. Still, how these may translate into the final National EV Strategic Plan needs to be clarified. Some of the matters raised in the consultation paper deserve reflection on the Strategic Plan's goals and/or objectives.

Governments have a duty and obligation to determine policy direction and actions to achieve required outcomes and benefits and to understand the impacts of change, the potential unintended consequences of intervention and mitigations to manage identified risks effectively. MTAA suggests industry representative bodies must also work for market participants and association member businesses and partner with Governments to achieve desired national outcomes.

LAGGING OR A CHANCE NOT TO REPEAT LESSONS LEARNED

MTAA and its Members do not dispute that Australia is lagging behind other jurisdictions by more than a decade in some cases.

MTAA and Members' interaction with United States, Asian and mainly European industry organisations and forums over the last five-plus years confirm this lag is a byproduct of policy inaction and intervention by previous Commonwealth Governments, consumer awareness education and understanding translating to demand, and suitable multiple price point product availability for a small right-hand drive market at the end of complex and interdependent global supply chains.

But MTAA and Member investigations and analysis culminating in face-to-face engagement with multiple European organisations and companies in September 2022 confirm considerable advantages in being 'late to the party'.

The National EV Strategic Plan must not be tempted by expediency to merely replicate international jurisdictions' previous or current approaches to EV transition. It must be recognised that some of those jurisdictions began the transition two decades ago and now possess considerable learnings from previous schemes, processes, incentives, policies, and practices.

For example, on 19 October 2022, the German Government Cabinet adopted the 'Charging Infrastructure Master Plan II' containing 68 measures to accelerate the development of charging infrastructure. The measures tackle:

- Integrating charging infrastructure and power system
- Improving charging infrastructure through digitalisation
- Empowering municipalities as crucial actors and involving them more closely
- Initiating charging infrastructure for e-truck and:
- Simplifying and accelerating charging infrastructure development.

[BMDV - Cabinet adopts 68 measures for faster development of charging infrastructure \(bund.de\)](https://www.bund.de/Content/DE/Presse/Pressemitteilungen/2022/10/19_2022_10_19_01_01.html)

Master plan charging infrastructure II (Status 8.07.2022)

Goals 2030

- Improving the user-friendliness and affordability of charging operations.
- Advance expansion of the charging infrastructure
- General usability of a public and non-discriminatory accessible charging network
- Establishment of reliable and uniform framework conditions
- Mobilization of private investment, flanked by overall government coordination
- Sustainable digitization of processes and technology
- Better interaction between electromobility and power grids

What is the role of local authorities?

- Basic supply of local charging infrastructure
- The German government is reviewing the obligation of the states to ensure the basic provision of local charging infrastructure by the end of 2022.
- Municipal master plans
- The municipalities are to develop their own master plans for the development of charging infrastructure by Q3/2023. Among other things, this will serve as a basis for federal funding in densely populated areas.

How is the achievement of the goals ensured?

Coordination, monitoring, demand analysis

- Interministerial Control Group Charging Infrastructure (ISIA)
 - Coordinates and ensures realization of the measures
- National Charging Infrastructure Control Center (NLI)
 - Supports and accompanies planning and implementation
 - Monitoring-Concept
 - Early detection of misdevelopments and shortfalls in expansion

Data

- StandortTool 2.0: Info on demand, current status, expansion activities
- Cleanroom talks: Annual forecast from the energy industry, CPOs, investors and OEMs
- Reporting of private charging points: Quantity and regional distribution
- Municipal master plans: Local expansion goals and measures
- Dynamic data from charging points: Availability, occupancy status, current prices

Measures

- Concept for financial support: Critical evaluation and adaptation of previous funding programs
- Charging infrastructure at public authority parking spaces: By the end of 2025, charging facilities at 25 % of the parking spaces of each authority
- Mobilization of areas: Federal, state and local authorities check their own areas for suitability for charging infrastructure
- Legal measures: Enable nighttime charging in semi-public parking lots, simplify installation in buildings, simplify approval processes...

What about digitization?

- The BMDV and the BMWK will jointly develop a roadmap for digitization of the overall system with the stakeholders by Q2/2023.
- BMDV, BMWK and BMI will review by Q2/2023 whether additional measures are necessary to protect against cyber attacks.

How will the supply along highways be realized?

- By the end of 2022, the Autobahn GmbH will tender the up to 2025 identified demand for car charging points at highway rest areas.
- Autobahn GmbH is intended to standardize and accelerate the approval processes for charging infrastructure on highways.
- BMDV and NLL, with the support of Autobahn GmbH, develop a concept for meeting the demand of space for charging stations along the highways by the end of 2023.

What about the importance of controlled and bidirectional charging?

- Funding for PV systems, storage units and wallboxes: A program to incentivize PV systems, intermediate storages, and a controllable and ideally bidirectional wallbox will be applied in order to promote PV self-consumption.
- Better interaction of power grid and electromobility through bidirectional charging: BMWK is examining which legal and technical adjustments are necessary to enable bidirectional charging and to exploit potential for grid and system integration as well as flexibility and business models.
- Definition of charging station and/or mobile storage as end consumer: BMWK, BMF and BMDV will jointly examine by Q1/2023 whether it makes sense and is possible to clarify and standardize the concept of end consumer in existing regulations, also in order to provide incentives for bidirectional charging.

What other measures are there for better grid integration?

- More transparency for grid connection: Obligation of distribution system operators (DSOs) to provide information on the duration and expected costs of a grid connection, and standardization of technical connection conditions
- Taking electromobility into account in network planning: DSOs create network maps for the high and medium voltage level for better planning of charging locations. For better network expansion planning, NLL provides DSOs with demand forecasts for charging infrastructure.

How is the charging infrastructure for e-trucks promoted?

- Concept for the development and tendering of an initial charging network for trucks: The BMDV will work with Autobahn GmbH and NLL to develop a concept for building an initial, scalable charging infrastructure network for trucks along the long-distance transport network by the end of 2022 and publish an initial call for tenders by Q4/2023.
- Funding of charging infrastructure for trucks: BMDV and BMWK develop suitable financing and funding measures for charging infrastructure on company premises, at transshipment points, in business parks and at charging hubs by Q1/2023.
- Truck charging standardization: OEMs will develop standards for key steps of the charging process with standardization institutes by the end of 2023.

[Master Plan Charging Infrastructure II - FFE Website](https://www.ffe.de/Content/DE/Presse/Pressemitteilungen/2022/10/19_2022_10_19_01_01.html)

The above example is indicative of critical observations by the MTAA Leadership Group. Across Europe, governments are finessing and refining previous approaches to charging infrastructure development, deployment, and other EV strategies.



MTAA member association CEOs and Board Directors pictured In Munich, Germany, September 2022, investigating European EV transition, government policies and automotive industry responses.

In multiple discussions with many organisations in September 2022, the MTAA team was informed of many already underway or planned changes.

- Early technology adoption and rollout of low Kilowatt (kW) chargers are now being replaced with much higher kW fast chargers in more significant numbers and with less distance between them in response to consumer concerns about availability, frequency, and time to charge.
- The number of chargers required and where they are required have also changed as the EV fleet composition has increased.
- Bi-Directional EV's role in feeding into national grids now has greater importance, with several jurisdictions in advanced planning.
- Impacts on workforce, jobs and skills are becoming better known, as are the requirements of emerging professions and workforce requirements in an EV-dominant fleet.
- There is even reliable information on nuances such as floorplan design, equipment, tooling space and other requirements in EEV-orientated workshops versus traditional ICE for improved workflow planning and productivity.

A Critical take-home message is that Australia can take these learnings, apply them to the Strategic Plan and be an Asia-Pacific leader in fleet transition and GHG reductions from the transport sector.

To achieve a faster trajectory, the National EV Strategy must detail:

- ✓ Emissions reduction across the entire fleet, with EV uptake a critical component
- ✓ Mandated CO2 Emission Standards to encourage cleaner, zero-emission vehicle choices
- ✓ Comprehensive private and public charging infrastructure
- ✓ Nationally consistent and targeted incentives and subsidies
- ✓ The ongoing training of existing automotive professional tradespeople who service, repair, and maintain the fleet, as well as the training of new industry participants.
- ✓ Industry adjustment support
- ✓ Improved fuel efficiency standards
- ✓ Maximising the use of renewables in charging infrastructure
- ✓ Integrated recycling and reuse of End-of-Life Vehicles, particularly expected increase in ELVs as EV uptake increases and
- ✓ The identification and establishment of a central repository of data, statistics, information, intelligence, and monitoring available to government and industry.

The National EV Strategic Plan must balance ambition and risk to achieve this aspiration.

Encourage rapid uptake too fast and risk decoupling from infrastructure rollout. Failure to recognise and accept Australians' preference for home charge points and provide an imbalance of resources and incentives into public infrastructure without incentivising home charge points risks undermining outcome achievement and goodwill. Attain EV uptake without the necessary infrastructure, power grids to feed it, the services to maintain and repair EVs and other parts of the fleet, or use penalties to direct outcomes, then risk the entire program.

While it is reasonable to highlight Australia's lag and recognise the politics of previous governments' lack of direction and involvement, MTAA and its Members suggest that the Strategic Plan focus on significant opportunities that can be seized rather than dwell on lag and the avoidance of mistakes and consequences.

75%

Labor pledged electric cars in government fleet by 2025
TheDriven.io

In 2021, the Australian ZLEV market share of total vehicles sold is

2%

VFACTS

The VIC, NSW, QLD & SA targets for ZLEV's new vehicle sales share is

50%

by 2030

Energy.vic.gov.au;
environment.nsw.gov.au;
Energymining.sa.gov.au; Qld.gov.au

59%

of Australian sold vehicles are large SUVs or dual cab; little ZLEV options available
VFACTS

RECOMMENDATIONS

01 THE PLAN

- ✓ Adjust the Strategic Plan Framework to encompass input and feedback from the Consultation process if and where applicable, including revised goals, objectives and actions. Provide a revised National Strategic Plan Framework infographic if changed.
- ✓ Improve clarity through additional content and, where appropriate, changed objectives and actions in the Strategic Plan on:
 - ✓ Emissions reduction across the entire fleet, with EV uptake a critical component.
 - ✓ Mandated CO2 Emission Standards to encourage cleaner, zero-emission vehicle choices.
 - ✓ Comprehensive private and public charging infrastructure implementation as a separate plan but included as a deliverable in the Strategic Plan.
 - ✓ Nationally consistent and targeted incentives and subsidies.
 - ✓ The ongoing training of existing automotive professional tradespeople who service, repair, and maintain the fleet, as well as the training of new industry participants.
 - ✓ Industry adjustment support.
 - ✓ Expectations of the national energy grid, reliance on renewables and a start to the necessary work to include bi-directional supply from the increasing EV fleet where applicable.
 - ✓ Integrated recycling and reuse of End-of-Life Vehicles, particularly expected increase in ELVs as EV uptake increases.
 - ✓ The identification and establishment of a central repository of data, statistics, information, intelligence, and monitoring available to government and industry.
 - ✓ The role of government and intervention strategies and link to outcomes.
 - ✓ An Incentive and Subsidy framework detailing the levels and timeframes for financial incentives, subsidies, and government assistance measures.

79%

of Australians expect to charge their ZLEV at home

Deloitte global automotive consumer study 2021

65%

of consumers want a ZLEV under \$50K – currently, 89% are over \$50K

2021 Electric Vehicle Council Future Fuel Strategy Submission

43%

of Australians support a dual strategy of greater use of ZLEVs/ hybrids

JWS Consumer Research via Federal Chamber of Automotive Industries (FCAI)

Global strategies predict BEV shares to grow to

18%

by 2030

S&P Global via FCAI

- ✓ Integrated, interdependent, nationally consistent and realistic timelines and milestones. A revised National Strategic Plan Framework visual changes from the Consultation Paper process.
- ✓ Ensure there are no requirements, design rules, or standards that are not consistent with other global right-hand markets or any other onerous domestic requirements that create the potential for EV product exclusion from the Australian market.
- ✓ **Government with industry identify a centralised repository for information, data, statistics, progress reports, jurisdiction policies and other necessary content.**

02 GOALS, OBJECTIVES AND ACTIONS

- ✓ **At a minimum, MTAA recommends adjustments to the Consultation Paper goals:**
 1. Make EVs more affordable **and suitable to Australian conditions and consumer preferences.**
 2. Expand EV uptake and choice **without relying on or introducing non-EV bans or penalties.**
 3. Reduce emissions **across the entire national vehicle fleet.**
 4. Save Australians money on fueling their vehicles, **including transparency on electricity, availability, and charges.**
 5. Increase local manufacturing.
- ✓ **MTAA recommends some additional Goals/Objectives/Actions:**
 6. **Reform automotive-related taxation, including solutions to road user charging and the abolition of Stamp Duty and Luxury Car Tax.**
 7. **No punitive action will be taken against Australians continuing to utilise Internal Combustion Engine (ICE) vehicles, and equity and fairness apply to all transition actions.**
 8. **Ensure an automotive workforce with the capacity and capability to meet the demands of the entire fleet and the nation's reliance on road transport.**
 9. **Determine actions to ensure decommissioning, destruction and recycling/re-use of End-Of-Life Vehicles expected to increase because of EV uptake and fleet transition.**

Global strategies predict that ICE share to drop to

59%

by 2025, and 22% by 2030

S&P Global via FCAI

Currently, 500 qualified ZLEV technicians servicing

29,000

electric vehicles

Via VACC

Australia's automotive sector is facing a shortage of

38,000

skilled professionals

MTAA Automotive Directions

Australia predicted to be

6000

technicians short by 2030 - based on a growing fleet

Via VACC

10. Integration with other Government portfolios and agencies, including (Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA)), and strategies, including National Battery Strategy, National Reconstruction Fund, and National Product Stewardship Programs.

11. Ensure goals, objectives, and actions are cognisant of Australian conditions, consumer vehicle preferences and market conditions.

- ✓ Create two entities to facilitate and coordinate the implementation, monitoring and review of the Strategic Plan.
 1. A cross-portfolio interdepartmental task force, and
 2. An Industry/Government EV Transition Task Force to oversight the implementation of the National EV Strategic Plan, triage and treat any identified risks or emerging issues, gather data and review performance (2.4 – Ongoing Periodic Review Q3)

03 WHAT MORE CAN WE DO TO MEET OUR GOALS AND OBJECTIVES?

TARGETS AND MILESTONES

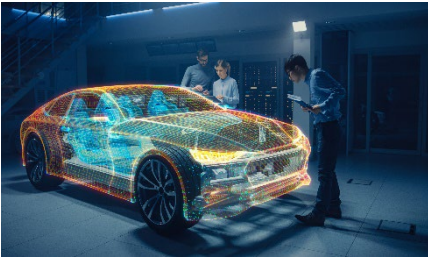
- ✓ Ensure rapid EV uptake aligns to grid capacity and capability, infrastructure (private and public) rollout, and other requirements, including product availability at multiple price points.
- ✓ Transport and, precisely, passenger and light commercial fleet emission reductions are aligned to mandated CO2 targets, not EV targets.
- ✓ EV uptake targets are considered an indicator measurement of passenger and light commercial fleet transition.
- ✓ Ensure financial incentives promote equity in access to EVs.

INFRASTRUCTURE

- ✓ Australia needs a comprehensive and fit-for-purpose rapid charging network. Australia should adopt the European benchmark for public charging stations - one charging station for every 10 EVs and charging banks of between six to eight chargers every 50 to 75km along significant highways.
- ✓ The Strategic Plan must outline the standards for charging infrastructure and related services, including charge points, minimum charge capacity, and generic and nationally consistent payment systems (remember COVID pass/approvals).

- ✓ Commence work to make changes to legislation and standards required to enable the uploading and downloading of power from bi-directional vehicles to homes and commercial properties.
- ✓ Consideration of current automotive businesses nationwide for EV charging infrastructure.

INCENTIVES, SUBSIDIES & PENALTIES



- ✓ While recognising national competitiveness, incentives, subsidies, and any penalties be federally led and nationally consistent in accord with a framework contained in the National EV Strategic Plan.
- ✓ Incentives, subsidies, and tax exemptions be considered for the uptake of EV safety training and the costs of tools, equipment, and training as part of industry adjustment inclusions in the Strategic Plan.
- ✓ Develop and Include in the National Strategic Plan an incentives and subsidies framework that may include, but are not limited to, private and public charging, targeted consumer purchase incentives, subsidisation or removal of government fees, and non-financial incentives such as transit lane access, free parking, access to any government charge points, etc.
- ✓ A mechanism or process to ensure no section of society is disenfranchised or endured detriment by exclusion from incentive and subsidy framework.

JOBS & SKILLS



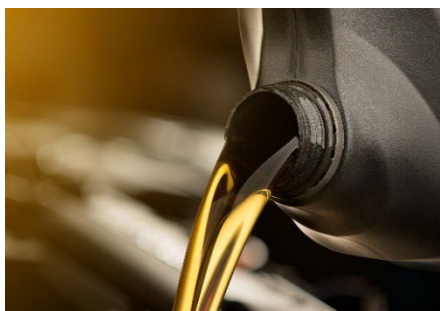
- ✓ In conjunction with other government and industry programs and initiatives, ensure sufficient positions and skills are available, including addressing long-standing skills shortages.
- ✓ Work with Industry to ensure qualifications systems, competencies and training provisions reflect the needs and requirements of a transitioning fleet.
- ✓ Ensure skills and jobs continue to service and repair the entire fleet, including remaining ICE vehicles in the heavy, industrial, and agricultural industries.
- ✓ Ensure public safety and security by maintaining qualified automotive technicians as the only professionals to service all vehicles, including electric, diagnose service, and repair-related technologies such as Advanced Driver Assistance Systems (ADAS).
- ✓ Enhanced EV workforce skills development to keep pace with emerging technology and automation strategies.

TAXATION & TARIFFS



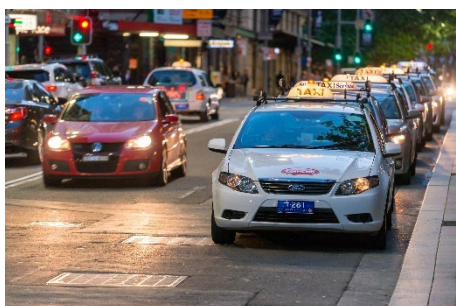
- ✓ Planned FBT exemption for EVs and Tariff removal be implemented.
- ✓ FBT exemption be provided for EV parking and charging be considered as a further action item in the Strategic Plan.
- ✓ Taxation reform be federally led (or nationally consistent) and address revenue sustainability for continuous improvement of road infrastructure. Investigations should include the impacts of Stamp Duty, and solutions.
- ✓ Remove the Luxury Car Tax (LCT)
- ✓ Immediate work starts on a solution to fuel excise reduction and road user charging as a potential replacement with any other options.

FUEL STANDARDS & SECURITY



- ✓ Include a section in the strategic plan that raises awareness and education of the broader fuel matters, including the benefits of renewable sources of electricity.
- ✓ Ensure the Strategic Plan incorporates recognition and action to reduce emissions across the entire fleet through emissions testing and, where applicable, the availability of alternatives to electric vehicles, including PHEV, to reduce vehicle emissions.
- ✓ Ensure the Strategic Plan recognises the continuing need for the most advanced fuel options in the market consistent with international fuel standards.
- ✓ Ensure the strategic plan recognises the potential impacts of rising electricity prices and mitigates as far as practicable any impact this may have on consumer behaviour and EV uptake.
- ✓ Planning for Australia's EV fleet should not focus only on electricity as a fuel source. Hydrogen should be actively supported through government policies and programs for motor vehicles, as well as heavy vehicles

FLEET MANAGEMENT



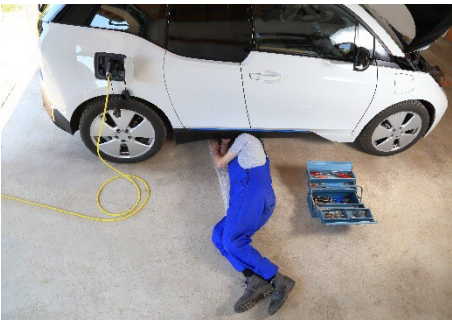
- ✓ The Strategic Plan should reference and, where appropriate, detail actions to safeguard the importance of maintaining the national vehicle fleet while encouraging the transition to EVs.

END-OF-LIFE VEHICLE RECYCLING AND REUSE



- ✓ Include in the Strategic Plan a goal and comprehensive actions to address a likely increase in End-of-Life Vehicles (ELV) directly resulting from increased EV uptake.
- ✓ Pending the outcome and delivery of a current ELV Product Stewardship Project, consider the possible time-limited incentives for owners to deposit ELVs to designated facilities for approved decommissioning, destruction, and recycling. (Note: Not a Cash for Clunkers Scheme).
- ✓ Integrate ELV destruction statistics into fleet transition measurements and reporting.

EDUCATION & AWARENESS



- ✓ As previously recommended, identify a centralised repository for information, analysis, statistics, progress reports and other necessary materials.
- ✓ There is currently no reliable resource that captures, stores and analyses critical information necessary to qualify and quantify EV uptake success and fleet transition progress.
- ✓ The Strategic Plan includes actions to develop and implement Industry and consumer education programs and campaigns regarding EV Transition.



STRATEGY FRAMEWORK QUESTIONS

2.1 GOALS, OBJECTIVES, ACTIONS

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

Overview

MTAA and Members broadly support the Goals, Objectives and Actions presented in the Consultation Paper.

While much discussion has focused on creating demand for rapid EV uptake, MTAA suggests vehicle supply will be the single most significant factor. Many manufacturers are bringing vehicles to market in volume over the following years. This is starting to show in Australian new car sales data, with August 2022 the best month on record for EV sales, only to be beaten in September this year. Despite continuing supply chain constraints and delivery delays brought about by the pandemic, semiconductor, component and battery shortages, there are vital signs that demand continues to grow as more makes and models arrive. In August and September this year, 'boatloads' of delayed EV deliveries for two manufacturers arrived, bolstering EV sales numbers.

However, an ongoing need is for transparency to Australian consumers on what vehicles will be available to the small Australian right-hand drive market and when.

Erroneous assumptions by sometimes eager but ill-informed commentators confuse consumers and undermine EV transition support.

The utility debate is a case in point. There is no question that utilities will arrive in the Australian market. More clarity is when, in what numbers, what models, by which manufacturers, whether they meet Australian consumer preferences and conditions and whether they will have the specifications and price points to be competitive with existing ICE models. The answers to these questions are either 'no', not yet known, or not yet disclosed. Yet the public is misinformed that models already available in the United States are 'coming to Australia'

For example, when some ill-informed commentators assert that a particular left-hand drive utility from the United States is going gangbusters in that market and will 'undoubtedly' make it to the Australian market. This is without any confirmation from the vehicle manufacturer that the model will be made as a right-hand drive or offered to the Australian market.

It is also not a foregone conclusion, as some commentators would have Australian consumers believe that even in limited numbers, it will arrive for conversion as several do from US-based manufacturers. These are business decisions based on consumer demand for utilities that will likely exceed \$120,000 – well beyond the price point of four of Australia's most popular top 10 vehicles.

Some of these businesses are MTAA member constituents. As much as we would like to say these vehicles are destined for Australia, it is irresponsible to do so until the manufacturing companies or importers confirm. Irresponsible statements undermine efforts to increase EV uptake by confusing already wary consumers.

MTAA recognises that addressing EV uptake is critical to achieving transport sector GHG reductions in the fastest possible timeframe. The assignment of objectives and actions to address the requirement is also necessary to retrospectively capture existing actions by essentially State and Territory governments and Departments and Agencies. However, in the context of a Strategic Plan, MTAA believes it must include other vital considerations. Again, it must also balance the want to rapidly increase EV uptake with the reality of what can be achieved with the available resources and a level of infrastructure to support the uptake.

The United Kingdom is a case in point for continuously balancing competing priorities. It has hard EV targets and ICE bans, placing added pressure on plans. In September 2022, over 900,000 plug-in vehicles (battery electric and plug-in hybrid vehicles) on UK roads were being charged at 34,860 charge points (not including most home charge points), with issues increasing as EV rates increase.



Courtesy UK Office of Zero Emission Vehicles during meetings with MTAA Member leadership team in September 2022. The UK has committed £ 2.5b since 2020, with £1.65b going directly to charging infrastructure.

MTAA and Members respectfully suggest that the issues are far broader and more complex. By working with the industry, Government can develop and include enhanced goals in the National EV Strategic Plan.

MTAA suggests adjustments to the existing Consultation Paper goals:

1. **Make EVs more affordable and suitable to Australian conditions and consumer preferences.** MTAA believes EV uptake mechanisms, processes, and incentives utilised in other countries cannot be transplanted to Australia. Too often, simple comparisons are made with countries such as Norway with misguided assumptions that whatever works there will work here. Australia has its unique logistical challenges in terms of expanding its EV uptake – a widely dispersed population and land mass, infrastructure challenges, a small right-hand drive vehicle market that is not at the forefront of global vehicle manufacturer supply decisions, lack of local manufacturing, lack of incentives and lack of CO2 emission targets. Equally, European consumer preferences are not those of Australians and should not be imposed on Australian consumers.
2. **Expand EV uptake and choice without relying on or introducing non-EV bans or penalties.** MTAA and another nine peak associations, including MTAA Members, do not support bans on selling certain vehicles by specific dates. For example, the ACT Government has decided to ban the sale of ICE vehicles from 2035. If the neighbouring jurisdiction of NSW does not follow this policy, then ACT consumers may make a 15-to-40-minute trip across the border to exercise their choice. It also ignores the ACT being the largest city in proximity to surrounding southern NSW and consumers that rely on purchasing in the nation’s capital because of lack of availability, choice, infrastructure, geography, etc., in their home location. The imposition of penalties to change consumer behaviour is already manifesting in critical touch points in some European countries where a societal divide is starting to emerge due to a stick-and-carrot approach that is arguably not warranted and increasingly divisive. The Strategic Plan should state a position on ICE vehicle Bans and punitive penalties for ICE vehicle owners.

3. **Save Australians money on fueling their vehicles, including electricity availability and charges.**

Care must be taken that goals are not misinterpreted or fail the ‘pub-test’. The goal, as it currently reads, could be interpreted that Australians will save money on fuel irrespective of the power source. While MTAA understands the intent is likely to refer to fossil fuel savings, misinterpretation is the cause of considerable angst in the state of California in the US and several European countries over recent months. Evidence reported to MTAA’s Leadership Team in September 2022 during in-country discussions reveals that energy supply concerns and cost increases due primarily to the Ukraine conflict are starting to cause consumer concern. In September and early October, California State also issued warnings of energy supply issues, asking consumers to curb or change electric vehicle recharging for several nights to conserve supply. With Australian energy costs increasing and other costs of living pressures, it will be essential to clarify cost-saving goals.

MTAA also suggests additional goals for the National EV Strategy to reflect broader considerations better and ensure the Plan is as comprehensive as possible.

4. **Reform of automotive taxation**

A National EV Strategic Plan should recognise that the achievement of outcomes will ultimately significantly impact government revenues and that other automotive-dependent tax regimes are overdue for review.

While some jurisdictions have nominated a Stamp duty exemption (ACT) for EVs, this will become increasingly difficult as more cars become available and government revenue opportunities increase. Timeframes for such tax incentives are also a concern. Some jurisdictions introduced incentives and subsidies in the past 12-24 months, and some have sunset clauses in 2024. There are already concerns that only those who can afford expensive available EVs now are the only beneficiaries. When more choice is available, the support to transition will evaporate.

While recognising the constitutional constraints regarding the negative impact

5. **No punitive action will be taken against Australians continuing to utilise Internal Combustion Engine (ICE) vehicles, and equity and fairness apply to all transition actions.**

Punitive action against ICE vehicle owners through increased taxes and other policy levers (registration, levy, etc.) will cause public anger, particularly among groups where they are prevented from accessing EVs at an acceptable price point, their location or work does not lend itself to EVs available at the time or other factors. Another European observation is that where these policy and tax levers were exercised, there was evidence of increasing discontent and anger – particularly in high-energy environments. Access to EVs must be equitable and fair for all.

6. **Ensure the automotive workforce meets the demands of the entire fleet and the nation’s reliance on road transport.**

Transitional support will be required to assist the industry deal with historically high skills shortages of 38,000 positions. The shortages, particularly in service and repair professions, are long-standing but are now exacerbated by the impact of COVID-19.

Table 1: Percentage of Automotive Business experiencing a Skill Shortage, by Jurisdiction, 2020/21

	Overall	Metropolitan	Regional
	%	%	%
NSW &ACT	48.1	48.6	50.0
VIC	49.7	46.2	55.4
QLD	56.8	52.1	60.0

SA	51.3	42.1	55.6
WA	54.4	48.0	66.0
TAS	52.5	52.0	56.2
NT	40.5	37.5	44.4

Source: 2020/21 Automotive industry National Survey

Table 2: National Automotive Skill Shortages by Occupation and Quantity, 2020/21 – 2022/23

ANZSCO Code	Occupation	2020/21 Shortage (No.)	Projected 2021/22 Shortage (No.)	Projected 2022/23 Shortage (No.)
321211	Light vehicle mechanic	17,509	19,970	23,904
321212	Heavy vehicle mechanic	2,711	2,984	2,995
321213	Motorcycle mechanic	119	184	220
321212	Mobile plant mechanic	173	185	190
321211	Engine reconditioner	35	66	70
321212	Mechanic - farm machinery	915	945	920
324111	Panel beater	1,602	1,690	1,710
324311	Vehicle spray painter	1,593	1,600	1,650
324212	Vehicle trimmer	34	125	154
321111	Automotive electrician	1515	1650	1790
621311	Motor vehicle salesperson	1644	1680	1529
621312	Motor vehicle parts and accessories salesperson	783	725	730
899415	Tyre fitter	609	750	755
621312	Spare parts interpreter	1294	1350	1380
321214	Mechanic - outdoor power equipment	212	188	210
324211	Vehicle bodybuilder	199	225	259
321214	Marine mechanic	103	104	110
899911	Bicycle mechanic	93	110	124
Total Shortage		31,143	34,531	38,700

Source: 2020/21 Automotive Industry National Survey; ABS data; VACC modelled estimates.

Also supporting the inclusion of workforce, skills, and jobs as a goal with accompanying actions is information obtained by MTAA Members about the impact of EV transition in European countries that have already experienced workforce changes.

In a soon-to-be-released report on the tour of major European countries with prolonged exposure to the EV transition, discussions revealed that up to 30% of dealerships and independent repair businesses would likely disappear because of the transition.

Workforce planning must find an effective balance of attracting people to professions that will continue to be required for the foreseeable future while also training technicians, repairers, and others on electric vehicle requirements and increasing technology being applied to new vehicles.

- Integrates with other Government portfolios and agencies, including (Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA)), and strategies, including National Battery Strategy, National Reconstruction Fund, and National Product Stewardship Programs.**

Other considerations DCCEE may wish to consider include the following:

- Transition milestones and timelines that consider:
 - Available (non-commercial) intelligence and analysis on manufacturer product development and delivery pipelines
 - Progress milestones on public and in-home charging points and adoption of a ‘brown spot’ system of identifying gaps in charge point coverage or inadequate or insufficient charge points either in terms of power or number or both
 - EV sales data, including improved information on PHEV, Hybrid, BEV, Hydrogen and configurations of one motor or two etc. (this data will form a new and valuable database on type, use, distance travelled etc., just as diesel and petrol vehicles have provided important information.
 - Supply chain disruptions/shortages impacting manufacture and delivery, confirmation of availability to the Australian market, and
 - Whether all these considerations meet Australian consumers’ motor vehicle requirements and Australian conditions.
- The relationship and impact of power generation, the operations of the national grid, the role of renewables and other sources, loads and load sharing arrangements during peak periods, distribution, and safety nets. Early awareness and education on what role EV owners will be expected to play if there are energy shortfalls during the simultaneous transition to renewables.
- Data, access, and cyber security implications.



2.3.2 GLOBAL ACTION

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

As outlined in this introduction, there are opportunities to ensure mistakes and poorer performing strategies deployed overseas are not repeated in Australia. Australia has the benefit of lessons learned in global jurisdictions. The reason why MTAA and Members are cautious on the issue of incentives, subsidies and penalties is that, essentially, these are the only levers available to attract the use of the term ‘rapid uptake of EVs’ is. The National EV Strategic Plan must be careful to avoid creating consumer demand above beyond the capacity of any incentives. For example, in 2021, Norway and Sweden exhausted budget allocations for EV incentives and the lack of availability had unintended consequences on markets and EV uptake.

It is of the utmost importance that the National EV Strategic Plan is rhetoric free with crystal messaging as far as practicable. Goals, Objectives, and Actions must be viewed through a different lens of belief for different stakeholders. What might work in Balmain may not work in Bourke? What seemingly is a reasonable action in Melbourne is regarded as impossible on the outskirts of Mildura. The Strategic Plan must be realistic and guide Australians on the transition journey. While EVs represent more than 50% of Oslo’s entire fleet, the Norwegian fleet is at around 18% EV penetration after 20 years of policy and transition. This is not a criticism; exponential growth is expected as global focus increases. Still, the managing expectation will be central to Plan performances.

Australia should not be racing with other countries or being portrayed as playing catch up. The nation has a unique opportunity to start from a considered position, with the capability to now address the known inhibitors and create the outcomes while recognising our unique attributes. MTAA respectfully suggests this should be the focus.

The following country statistics are provided not for comparison but for context, providing a high-level snapshot of the information and observations in the separate European report.

Norway

- National passenger fleet approx. 2.8million
- Annual new vehicle sales 176,276
- 64.5% of all new car sales are EVs (with increasing moves away from plug-in hybrid to full electric)
- 18% of Norway’s national vehicle fleet is EV (Oslo’s EV fleet is +50%)

Government Intervention	Infrastructure	Maintenance	Skills
Legislated measures including: <ul style="list-style-type: none"> • Lower road taxes • Removal of import tax • Removal of Value Added Tax (VAT) 25% • 50% reduction in the company Car tax • Free Parking • Exemptions from road tolls • Strong long-standing incentives regime • Over \$2b costs most years. 	<ul style="list-style-type: none"> • Majority of charging takes place in the home. • Low-capacity charging units (early infrastructure investments) are now ineffective and replaced with larger units with faster charge times. 	<ul style="list-style-type: none"> • Some Industries suggest that up to 30% of existing dealerships and independent workshops will disappear. • Material impact on servicing and repair 	<ul style="list-style-type: none"> • Low unemployment rate of 1.6% • Like Australia attracting and retaining new and skilled technical repair staff is critical. No signs that there is any fix in the short term.

Source:2021 data Presentations and information supplied from Norwegian Automotive Associations and individual businesses.

<p>Sweden</p> <ul style="list-style-type: none"> • National passenger fleet approx. 4.9million • Annual new vehicle sales 301,006 • 50% of all new car sales are EVs (70-80% expected by 2030) • 3.7% of Sweden’s national vehicle fleet is EV (2020) 	<p>The Netherlands</p> <ul style="list-style-type: none"> • National passenger fleet approx. 8.7million (Incl. Company cars 7.6m private) • Annual new vehicle sales 356,051 • 13.9% of all new car sales are EVs (BEV/PHEV) • 3.4% of the Netherlands national vehicle fleet is EV
<p>Germany</p> <ul style="list-style-type: none"> • National passenger fleet approx. 48.25million • Annual new vehicle sales 2,917,678 • 26% of all new car sales are EVs (BEV/PHEV) • 1.2% of Germany’s national vehicle fleet is EV 	<p>United Kingdom</p> <ul style="list-style-type: none"> • National passenger fleet approx. 36.5million • Annual new vehicle sales 1.65m (2021) • 18.5% of all new car sales are EVs (BEV/PHEV) • 4.5% of UKs national vehicle fleet is EV

2.4 ONGOING PERIODIC REVIEW

Data warehouse/information repository

What is clear is that data in the EV space can sometimes take time to obtain, validate or verify, particularly when looking for specific detail. Differing nomenclature, formal definitions, the multiplicity of plans and sub-plans, and disaggregated policy make cohesion and communication difficult.

Even domestically, the myriad of participants, plans, policies, regulations, and requirements are challenging to identify, gather, present, and explain. While one industry sector may be aware of the energy and infrastructure plans, other stakeholders may need help sourcing them. While there are many commonalities, each jurisdiction and country will have subtle and differing drivers for infrastructure design, application, and rollout.

For example, Sweden has 60% of its population living in apartment-type housing, so EV charging infrastructure must consider the difficulties of retro-fitting charge points in apartment complexes, parking limitations and the role of public charging in this context. In Australia, it is MTAA's experience that plans across the EV space differ, developed by necessity and often without national collaboration.

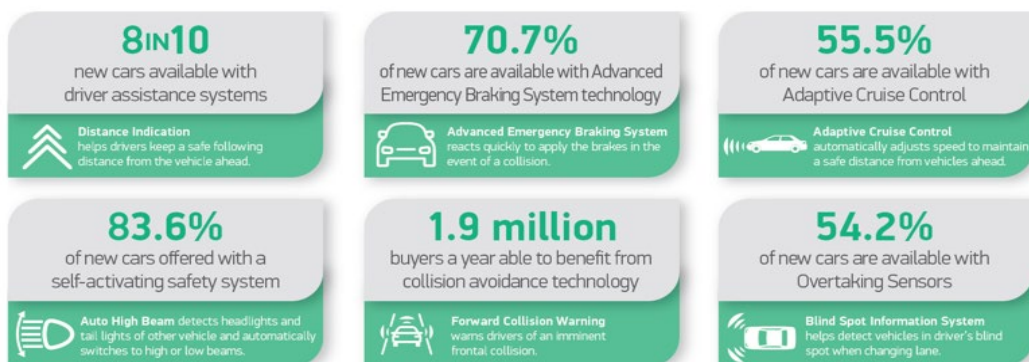
Therefore, MTAA recommends an action item of the Strategic Plan to establish a data warehouse where government and industry information (non-commercial), policies, strategies, plans, research, analysis, and other vital materials are shared, stored and available. Such an initiative will save valuable resources and time, warn early where misalignment of strategies and actions might occur, increase harmonisation, and contribute to a consistent national approach.

MTAA and its Members agree that the Strategic Plan needs to be dynamic and adaptive. It must reflect the agility and rapid application of technologies in automotive industries, including Advanced Driver Assistance Systems (ADAS) and increasing autonomy leading to the potential of driverless cars. Equally, there will be ongoing changes as the energy sector transitions to renewables and impacts as infrastructure deployment ramps up.

An interdepartmental task force at one level and a government and industry panel at another will provide focus and improve clarity and enable processes for improved and timely communication, triage of unexpected outcomes, difficulties or problems, earlier solution identification and greatly assist with monitoring and reviewing through shared ownership.

Interdepartmental committees, industry/government taskforces or panels or groups and multi-ministerial groups are all features of major approaches undertaken internationally.

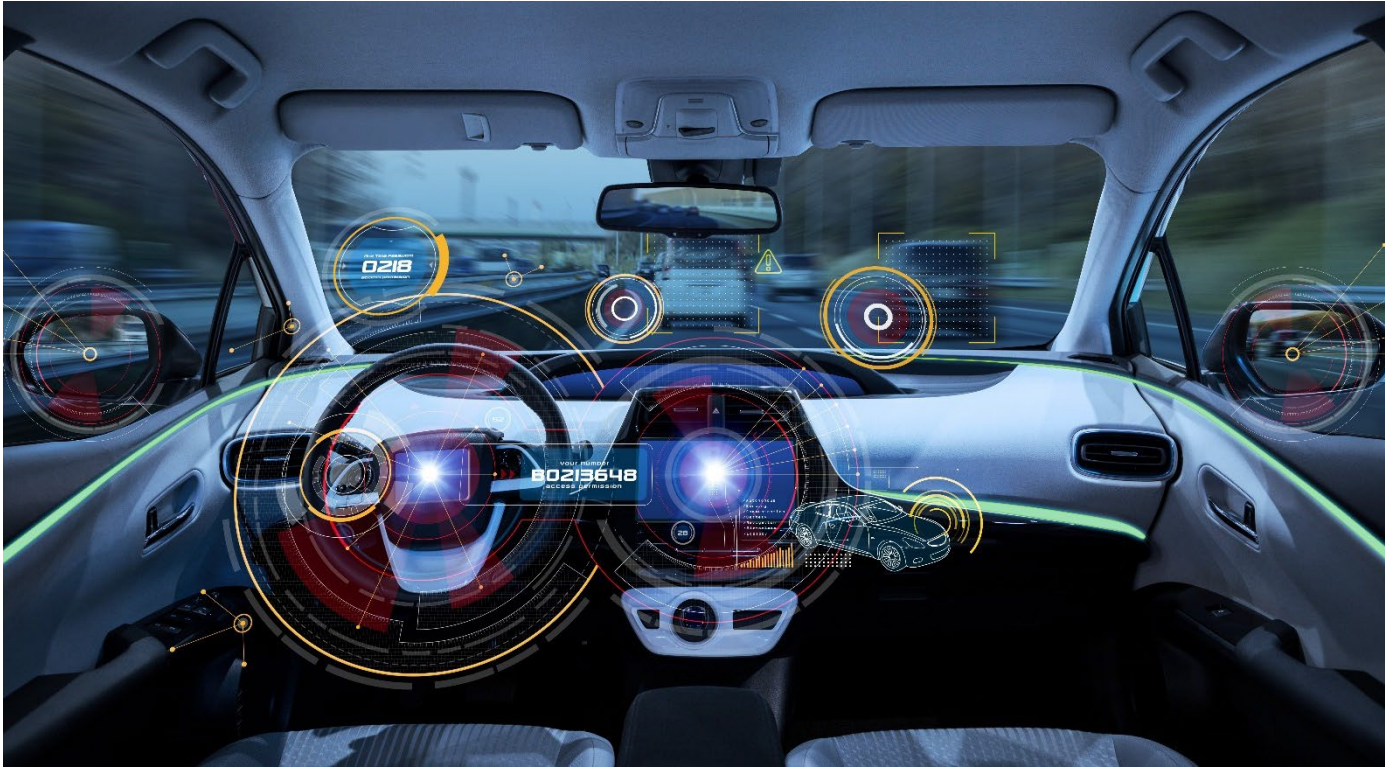
Increasing availability of ADAS in passenger cars



Source: JATO Dynamics and SMMT new car registration data.

1. Early information on automotive advances will be critical to the success of the Strategic Plan, as will information, plans, research and other materials. Courtesy UK Society of Motor Manufacturers and Traders (SMMT)

Motor Trades Association of Australia Submission



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

This question also directly relates to the need for a central data collection warehouse, as described in the previous question. The indicators, measurements, and other information will be critical to tracking and achieving outcomes. There are multiple indicators in the view of the Industry, MTAA and Members for consideration and inclusion as milestone reporting for the Strategic Plan. These are only suggestions. Some may require longer or different timeframes etc. The bottom line is comprehensive information from a single source clearinghouse that all stakeholders and Australians can rely on, including:

- Monthly New Car Sales data (VFACTS), including:
 - Market Share of ICE, Zero and Low Emission Vehicles Hybrid vehicles.
 - EVs as a percentage of all new vehicle sales – by vehicle type, by state, by region and nationally.
- Monthly used car data including:
 - Percentage of EVs as a percentage of all used vehicle sales – by vehicle type, by state, by region and nationally
- Quarterly reports (incorporating monthly tallies) plus:
 - EV prices by vehicle category, size, model, brand
 - Number of Chargers per EV
 - Number of Chargers per 75- 100km on significant roads
 - Number of Chargers installed (Private and Public [Excluding major roads])
 - kW Chargers -low/fast/super etc.
 - Charger downtime, reason, length, and cause (maintenance, energy shortage, vandalism etc.)
 - Greenhouse gas emissions from the road transport sector
- Half-yearly reports (Includes all quarterly report items) plus
 - Percentage of EVs compared to total vehicles in the Australian market
 - New model arrivals Manufacturer six months (incl. Manufacturer/origin/type/ range/
 - Government fleet transition performances (number, location, % of fleet, mandated or not)
 - Federal Government Fleet target performance
 - Number of End-of-Life vehicles presented for decommissioning destruction
 - EV delivery estimates and impediments to delivery (supply chain problems etc.)
 - Greenhouse gas emissions from the road transport sector

- Annual Reports (including all items in the half-yearly report) plus
 - Annual number and percentage of EV sales in each vehicle category and price bracket
 - The variety and type of new EV models arriving in Australia in each vehicle category for the 12 months ending and forecast for the next 12 months
 - Number of End-of-Life vehicles presented for decommissioning destruction
 - EV Infrastructure investment (\$, location, workforce etc.)
 - EV Technology Investment (\$, location, workforce start-ups, ride share, apps, new vehicles, manufacturing etc.)
 - Annual industry value-added (\$) in manufacturing due to EV value chain
 - Annual EV registrations by state/territory and as a proportion of the fleet
 - EV registration by postcode location (EV hot spot and poor adoption areas for potential targeted assistance further investigation)
 - Government fleet performance
 - Number of businesses and Government Departments/Agencies/businesses implementing EV fleet and performance
 - Jobs generated
 - Skills availability
 - Excise Tax revenue is forgone due to EV Uptake
 - Road User charge revenue (or alternative) when operating
 - Percentage of EVs (and/or components) manufactured in Australia compared to overseas





3.1 WHAT MORE CAN WE DO TO MEET OUR GOALS AND OBJECTIVES

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

Competitive Federalism has its place. The task of EV uptake and fleet transition as a significant contributor to reducing land transport GHG emissions is not one of them.

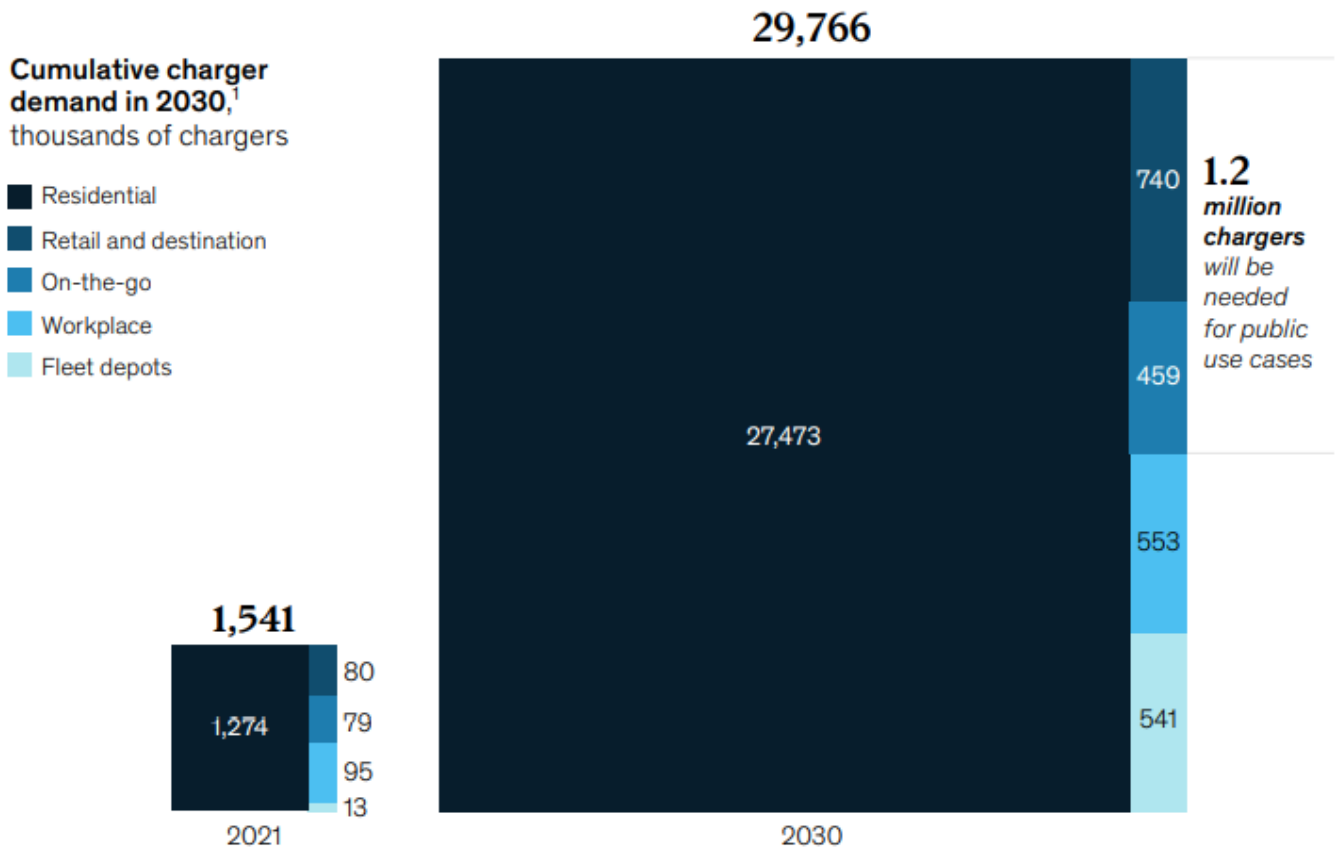
Transitioning a nation's energy sources/structures/markets; building and using the renewable capacity for a new infrastructure network; transitioning a nation's entire vehicle fleet; introducing new mobility choices; finding and ensuring the capacity and capability of the workforce and doing all these in a structured manner against ambitious timeframes; cannot be subjected to jurisdictional interpretation, application, or monetisation. To do so, MTAA believes, will undermine the National EV Strategic Plan from the outset.

Like the rest of the globe, Australia is still recovering from the pandemic and rolling natural disasters in many parts of the country that are stalling recovery by years, if not decades. Automotive industries are already under enormous pressure through a generational adjustment to business models, rapid application of technology, changing consumer behaviours, consolidation, and a raft of global influences.

Australia is a highly competitive right-hand drive vehicle market with around one million sales per annum and one of the world's highest car ownership ratios. The nation can ill afford to have a piecemeal approach to EV transition policy – yet it has already started and must be reined in by the National EV Strategic Plan now that there is a Commonwealth focus. Differing approaches to priorities, timeframes, infrastructure, type and size of the investment, and taxation, such as road user charging, can undermine the plan and its success. Decisions may be appropriate for inner-city urban areas but lost in regional/rural environments. The rural-urban differences must be a constant in the back of policy developers' minds.

A long-term commitment to at-home and high-speed public EV charging infrastructure across cities and regions is required with milestones as we approach 2030, 2035, 2040 etc. The scale and type should be considered. Even given the incomparable car parc and country attributes between Australia and the United States, what is being funded today in the US for charging networks versus what might be required is eye-watering and a warning to those with reservations about EV uptake. Australians will require assurances about charging surety in the Strategic Plan.

In 2022, the United States Congress passed the Bipartisan Infrastructure Law (BIL), providing \$7.5 billion to develop 500,000 publicly accessible charging stations compatible with all vehicles and technologies—nationwide by 2030. McKinsey and Company Centre for Future Mobility estimates that the United States will need 1.2 million public EV chargers and 28 million private EV chargers by 2030 if they achieve a target of half of all vehicle sales being Zero-emission vehicles.



Note: Figures may not sum, because of rounding.

¹Based on a scenario where zero-emissions vehicles (battery-electric vehicles, plug-in hybrid electric vehicles, fuel-cell electric vehicles) account for half the vehicles sold in the United States in 2030, in line with a federal target.

Source: McKinsey Center for Future Mobility

In addition, MTAA and its Members believe there are requirements to:

- Targeting the private mass vehicle market, which accounts for 60% of all new vehicle purchases – requires a commitment to long-term EV price subsidies (around \$10K subsidy and up to an EV price threshold of \$50,000) for private buyers to increase EV affordability. This will also encourage the supply of more affordable EVs from manufacturers to Australia.
- Provision of tax incentives, grants, or rebates for the installation of EV charging infrastructure by households and businesses.
- Dealerships are usually the first point of contact or frontline for most EV experiences. There is no incentive for dealers to sell an EV over an ICE vehicle, particularly in an environment where EV sales have been absorbed in some cases by the manufacturer under a direct sale or ‘agent’ arrangement. With losses in ICE vehicle servicing as EVs increase, there is scope to incentivise dealers and automotive businesses to participate in EV transition through tax credits or fiscal incentives for EVs sold.

- Exorbitant premiums are being charged for EVs by insurance companies. This acts as a barrier to EV uptake, particularly for low-income households. This could be an issue for further investigation by the Government and ACCC.
- Parts and component stores are already issues and likely to cause consumer concern. In some cases, unacceptable delays are already being experienced with some brands for EVs involved in an accident or incident. As the national EV car parc increases, this issue must be rectified.

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

MTAA believes the Commonwealth, States and Territories must determine a national framework for incentives and subsidies, including any shared financial contributions, as a matter of urgency to be included in the National EV Strategic Plan.

From a practical perspective, a lack of consistency and uniformity in incentives and subsidies will likely create unintended consequences, particularly at State and Territory border points. If one jurisdiction has more 'consumer-friendly' offerings, then consumers will gravitate towards purchasing in that jurisdiction, potentially raising issues with registration, etc.

There is also a significant matter in some jurisdictions where current incentives are limited to the number of new vehicles registered, time, or other criteria. Current incentives and subsidies are also seen as benefitting only those who can afford an EV from the small number offered, many of which are in the luxury car segment. In some cases, incentives are scheduled to end by 2024/25, just when it is anticipated that many models will arrive. These are the types of issues that may be able to be negotiated between the Commonwealth and States/Territories for a truly national approach to EV uptake. Potential actions include:

- A meeting of Commonwealth Energy / Transport/Infrastructure/Finance Ministers and Treasurers, if required, during the finalisation of the Strategic Plan to negotiate and determine the federal incentives and subsidies framework. Once agreed upon, the framework will be included in the Strategic Plan.
- Potential framework inclusions:
 - Nationally aligned registration and stamp duty exemptions
 - Increased subsidies (equaling global jurisdictions) to \$10K (potentially as a tax rebate)
- Small Business tax credits
- Light commercial fleet target with instant asset write-off
- Targeted government fleet purchasing
- Targeted incentives for rideshare and taxi companies
- Package approaches, i.e., more subsidies and incentives for rooftop solar, battery storage and EV charge point.
- Incentivise PHEV and hybrid, particularly as a stepped process for targeted groups where EVs may not yet be appropriate.

Other considerations:

- The timeline when price parity is achieved between ICE and zero-emission vehicles (if at all).
- The impact of battery supply and raw material costs may keep EV prices at sustained high levels.
- The avoidance of the temptation to instigate unilateral bans on ICE sales and other punitive measures.
- A need to seriously consider the importance of PHEV and Hydrogen Fuel Cell with less emphasis on BEV to start until battery supplies are assured, and infrastructure matches EV uptake.

<u>STATE</u>	<u>INCENTIVE</u>	<u>User Charging</u>
ACT	<ul style="list-style-type: none"> • Two years of free registration. • 20% annual ongoing discount on registration fees for EVs purchased before 1 May 2021. • Exemption from stamp duty for 'zero-emission' vehicles. • Owners can apply for a zero-interest loan of between \$2000 and \$15,000 to assist in upgrading their household infrastructure to charge their EVs. 	No formal Plan, but the government has said it intends to look at road user charging in the future.
NSW	<ul style="list-style-type: none"> • Stamp duty will be exempt for all new and used EVs and FCEVs that cost less than \$78,000. • \$3000 rebate for the first 25,000 battery electric and fuel-electric vehicles sold under \$68,750. 	<p>A road user charge of 2.5 cents per km (indexed to CPI) will apply to eligible EVs from <u>1 July 2027</u> or when EVs make up 30 per cent of all new vehicle sales, whichever comes first.</p> <p>Plugin hybrid EVs will be charged a fixed 80 per cent proportion of the total road user charge to reflect their vehicle type.</p>
VIC	<ul style="list-style-type: none"> • \$3000 rebate for all new EVs and FCEVs purchased for less than \$68,740 (first 20,000 purchases only). • \$100 annual registration discount. 	<p>The only state in the country is charging a road user tax. Double dipping on PHEV owners who also pay the Federal Fuel excise. Currently under challenge in the High Court.</p> <ul style="list-style-type: none"> • 2.5c/km EVs. • 2.0c/km PHEVs.
QLD	<ul style="list-style-type: none"> • Reduced stamp duty rate of 2% for all EVs and hybrid vehicle purchases up to \$100,000; after that, the rate increases to 4%. • \$3000 incentives for upfront electric vehicle purchases. • Quota ceiling of 15,000 vehicles applicable. 	No announced plans at this stage.
SA	<ul style="list-style-type: none"> • \$3000 subsidy for the first 7000 EV purchases, not including plug-in hybrids. • Three-year registration fee exemption. 	South Australia was set to become the first state to introduce road user charges, but with the election of the SA Labor government in 2022, they have introduced a Bill to repeal the road user charge

		legislation. It is expected that this will pass.
NT	<ul style="list-style-type: none"> • \$1500 discount on stamp duty to vehicles costing up to \$50,000. • EV charger grants - 100 residential grants of \$1000 and 80 business grants of \$2500. • Free registration for the next five years. 	
WA	<ul style="list-style-type: none"> • \$3,500 government rebate for EVs costing up to \$70,000 with a quota of 10,000 vehicles. • \$200 rebate for home-charging an EV or plug-in hybrids. 	
TAS	<ul style="list-style-type: none"> • Stamp duty waiver on EVs until 1 July 2023. • No registration discount for private buyers, two years free registration for rental cars. 	

Known current individual EV purchase incentives and road user charging

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

MTAA believes the answer to this question is a successful partnership between Federal and State/Territory Governments, relevant departments, industry, and other stakeholders as required.

Hundreds of thousands of information sources could even be viewed as a problem in itself – consumers are overwhelmed with so much information.

The best outcome for Australians is for domestic-orientated, reliable, transparent, accurate, and timely information provided by governments and industry, depending on the information sought. It is critical that Australians can trust the information presented, and it can be relied on to satisfy awareness, increase understanding, educate on the attributes, timeframes, and implications of the Strategic Plan, and assist in making informed decisions about vehicle choice.

After reviewing the Consultation Paper input and feedback, conduct a series of stakeholder consultations to explore further any matters of interest and use industry to assist with drafting.

Once the Draft of the Strategic Plan is finalised, undertake further consultations to examine structures for implementation monitoring and review, communications, and accountabilities. Communications may include:

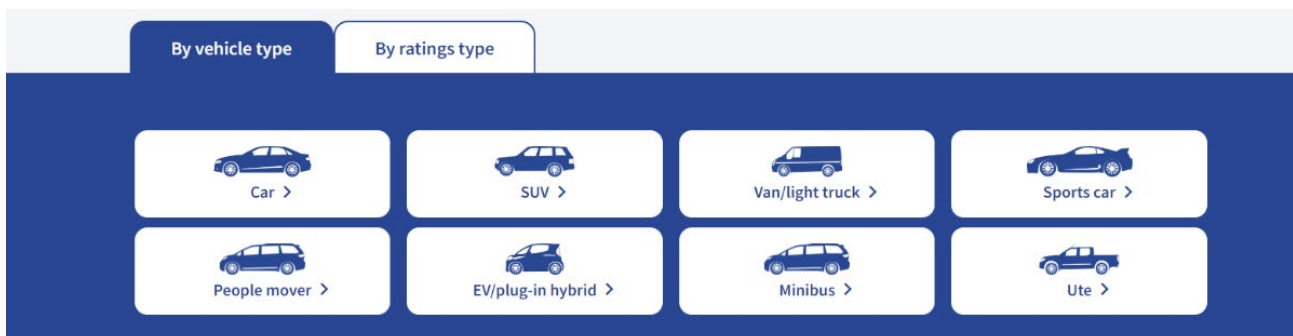
- Targeted ‘myth-busting’ campaign
 - Charging roll out – an infrastructure plan
 - Subsidies and Incentives – Framework (if agreed)
 - Manufacturer forward schedule (general) of models and type and expected arrival date in the Australian market.
 - Availability of affordable EVs by vehicle type
- Availability of apps showing a map of the nearest EV chargers
- An App to notify consumers of faulty charge

- The automotive industry is at the frontline of EVs. It is the best authority to inform Australians about EVs, their scheduled arrival in the Australian market, any delays experienced, etc.
- Original Equipment Manufacturers in marketing and messaging of EV benefits to dealerships, the public and insurance companies
- Technology trends – other fuels evolving, not just EVs
- Misreporting about incidents, accidents etc.

It is recognised that most incentives and subsidies will be State, and Territory based, and the rights of States and Territories to determine and inform are acknowledged and understood. However, MTAA proposes that the type, broad level of incentive or subsidy, and targeting are negotiated and agreed upon with the Federal Government for consistency.

In terms of other information, many jurisdictions provide helpful online sites where consumers can find reliable information in one place. The New Zealand Department of Transport develops and operates a ‘RightCar’ online website where anyone can look up vehicle safety credentials and emission ratings. The site links other important information, such as NZ Government initiatives such as the Clean Car Discount.

For transparency, MTAA includes this information as illustrative of some communications. It should not be interpreted as MTAA or Member advocacy for the drivers, actions or legislation underpinning these communications.






Clean Car Discount

Vehicles first registered in New Zealand after 1 April 2022 will incur either a rebate or a fee based on a sliding scale of CO₂ emissions. The lower the emissions – the higher the rebate. The higher the emissions – the higher the fee. The Clean Car rebate only applies if a vehicle meets all eligibility criteria.

[Clean Car Discount information >](#)

[Find eligible vehicles >](#)

<p>✓ Possible Clean Car rebate</p>  <p>LEXUS UX300E SUV 2019- NZ new (EV)</p> <p>Safety rating: ★★★★★ Carbon emissions: ★★★★★★ Fuel economy: ★★★★★★ Air pollution: ★★★★★★ Safety rating system: ANCAP Clean Car rebate/fee: Possible rebate of \$3,450.00 - \$8,625.00</p> <p>View details</p>	<p>✓ Possible Clean Car rebate</p>  <p>KIA NIRO SUV 2016- (EV)</p> <p>Safety rating: ★★★★★ Carbon emissions: ★★★★★★ Fuel economy: ★★★★★★ Air pollution: ★★★★★★ Safety rating system: VSRR Clean Car rebate/fee: Possible rebate of up to \$8,625.00</p> <p>View details</p>	<p>✓ Possible Clean Car rebate</p>  <p>GENESIS GV60 SUV 2022- NZ new (EV)</p> <p>Safety rating: ★★★★★ Carbon emissions: ★★★★★★ Fuel economy: ★★★★★★ Air pollution: ★★★★★★ Safety rating system: ANCAP Clean Car rebate/fee: Possible rebate of \$3,450.00 - \$8,625.00</p> <p>View details</p>
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Website: [Rightcar NZ - Vehicle ratings](https://www.rightcar.co.nz/vehicle-ratings)

Courtesy: NZ Transport Agency

<p>Vehicle Emissions and Energy Economy Label Plug-in hybrid</p> <p>VEHICLE MODEL: EXAMPLE</p> <p>5.5 CO₂ EMISSIONS (g/km) STAR RATING</p> <p>\$ 5,750.00 EMISSIONS (AUD) FEE BY REGISTRATION</p> <p>29 ENERGY ECONOMY (kWh/100km) STAR RATING</p> <p>\$ 380 ENERGY ECONOMY (AUD) FEE PER YEAR</p> <p>1.0 ENERGY ECONOMY (AUD) FEE PER YEAR</p>	<p>Vehicle Emissions and Energy Economy Label Petrol</p> <p>VEHICLE MODEL: EXAMPLE</p> <p>2 CO₂ EMISSIONS (g/km) STAR RATING</p> <p>209 EMISSIONS (AUD) FEE BY REGISTRATION</p> <p>1.5 ENERGY ECONOMY (kWh/100km) STAR RATING</p> <p>\$ 3,150 ENERGY ECONOMY (AUD) FEE PER YEAR</p> <p>9.0 ENERGY ECONOMY (AUD) FEE PER YEAR</p>	<p>Vehicle Emissions and Energy Economy Label Petrol</p> <p>VEHICLE MODEL: EXAMPLE</p> <p>0.5 CO₂ EMISSIONS (g/km) STAR RATING</p> <p>\$ 4,722.50 EMISSIONS (AUD) FEE BY REGISTRATION</p> <p>269 EMISSIONS (AUD) FEE BY REGISTRATION</p> <p>0.5 ENERGY ECONOMY (kWh/100km) STAR RATING</p> <p>\$ 4,060 ENERGY ECONOMY (AUD) FEE PER YEAR</p> <p>11.6 ENERGY ECONOMY (AUD) FEE PER YEAR</p>
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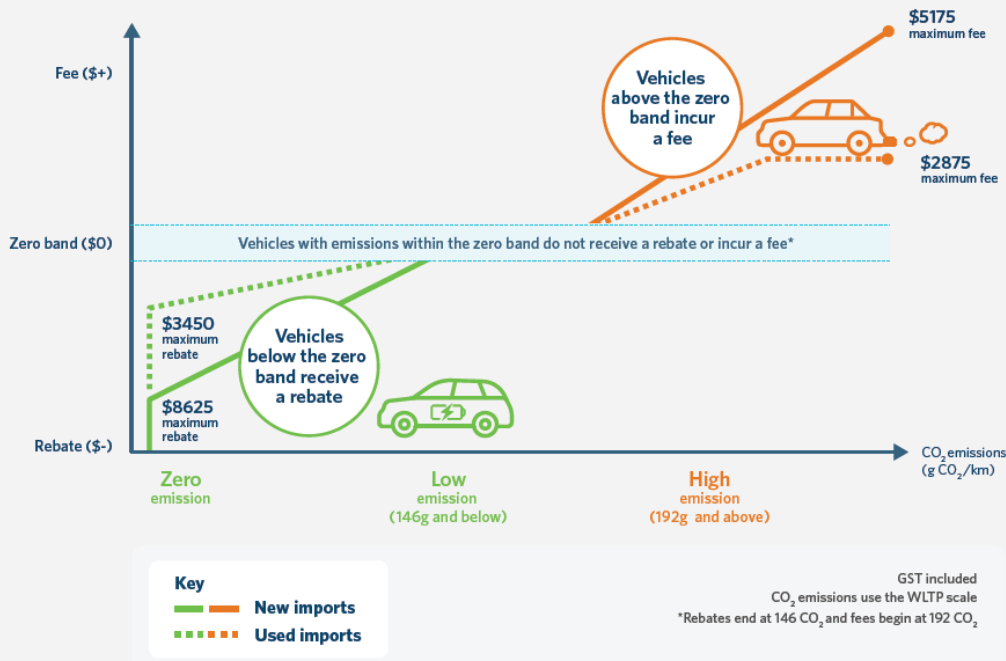
Courtesy: NZ Transport Agency

In addition, the New Zealand Government now requires additional emissions and energy labels to be attached to vehicles with rebates available for zero and low-emission vehicles and penalties applied to high-emission vehicles.

MTAA does not support the application of penalties or the process of using the penalties paid by one group of motor vehicle owners to offset the rebates provided to another. The New Zealand car park is not an apples-to-apples comparison to Australia. The risks of wholesale divisions between parts of the Australian community are considered too great and would undermine the goals and objectives of the inaugural Strategic Plan.

An EV survey was conducted in June 2021 in the Southland districts of New Zealand's South Island when the Government announced the Cleaner Car Rebate. Almost overnight, goodwill and support for the EV transition reduced significantly due to the announcement, as reflected in the survey results. MTAA includes the infographic as a demonstration of the types of communication (not necessarily the content) considered necessary when the Strategic Plan is finalised.

Clean Car rebates and fees from 1 April 2022



Most cars have a variety of models with different CO₂ emissions so the rebates and fees will differ. Check a specific vehicle's CO₂ emissions and rebate/fee www.rightcar.govt.nz

Courtesy: NZ Transport Agency

3.2 INCREASE SUPPLY OF AFFORDABLE AND ACCESSIBLE EVS TO MEET DEMAND ACROSS ALL SEGMENTS

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

Yes.

However, a Fuel Efficiency Standard is not a solution on its own. It must be part of a package or scheme suited to Australian conditions and requirements but consistent with COP26 undertakings.

Peak industry associations, including MTAA and its member associations, have agreed that Australia should have a scheme using appropriate fuel efficiency and quality standards. All peak associations agree with the Federal Chamber of Automotive Industries (FCAI) initial voluntary approach and calls to now mandate CO₂ emissions.

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

MTAA understands from FCAI and the Federation's members' and constituents' responses that manufacturers would be incentivised to send more vehicles to Australia. However, it is essential to remember that Australia remains a right-hand drive market at the end of complex logistics and supply lines. Due to fundamental commercial decisions, some vehicles may not make the Australian market even with fuel efficiency standards. For example, many ICE models and gone in the Australian market because the margins were so tight that the number didn't stack up.

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?

MTAA understands the answer is yes. However, with different business models and drivers, the same arguments and principles in Q7 and Q8 apply to the supply of heavy vehicles.

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?

MTAA supports industry-agreed standards/schemes consistent with markets of close relationship to Australia (US and Canada with consumer preferences for utility pick-up vehicles), but cognisant of Australian conditions and are acceptable to Government in meeting COP 26 undertakings and legislated reduction targets.

MTAA defers to ongoing industry and government discussions and further examination of this issue by Infrastructure and Transport following consideration of response to the Consultation Paper.

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

MTAA suggests the uptake in Government and Corporate fleets is the most efficient way to accelerate uptake and provide early 'used' options as soon as these fleets are due for renewal. Organisations and companies may accelerate fleet renewal in three instead of five years or on different EV metrics. Incentives could be targeted to facilitate earlier turnover decisions to flush more used EV stock into the market.

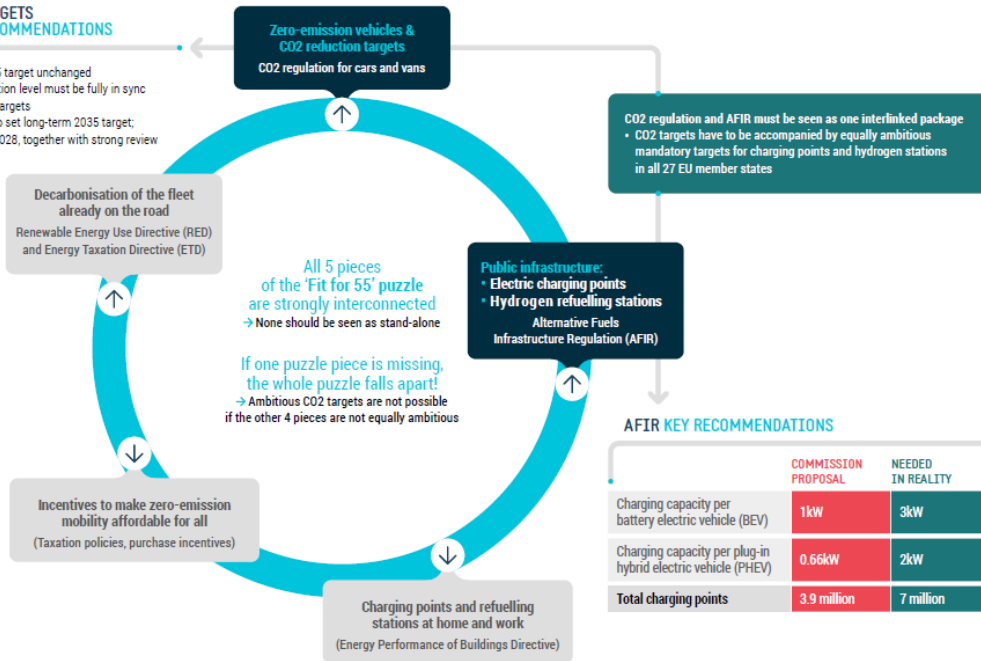
Additionally, it is suggested that targeted incentives and subsidies be directed to businesses to install and maintain charging infrastructure and high-speed chargers.

The European Automobile Manufacturers Association infographics for CO2 target review and pathways (in their view to 2030 and 2050 are included for their value as potential type visuals for the Australian National EV Strategic Plan. MTAA makes no observation, support or comment on the following infographics other than an interest in the depiction of content, a road to decarbonisation, and the similar value communications they might provide for the National EV Strategic Plan.



CO2 TARGETS KEY RECOMMENDATIONS

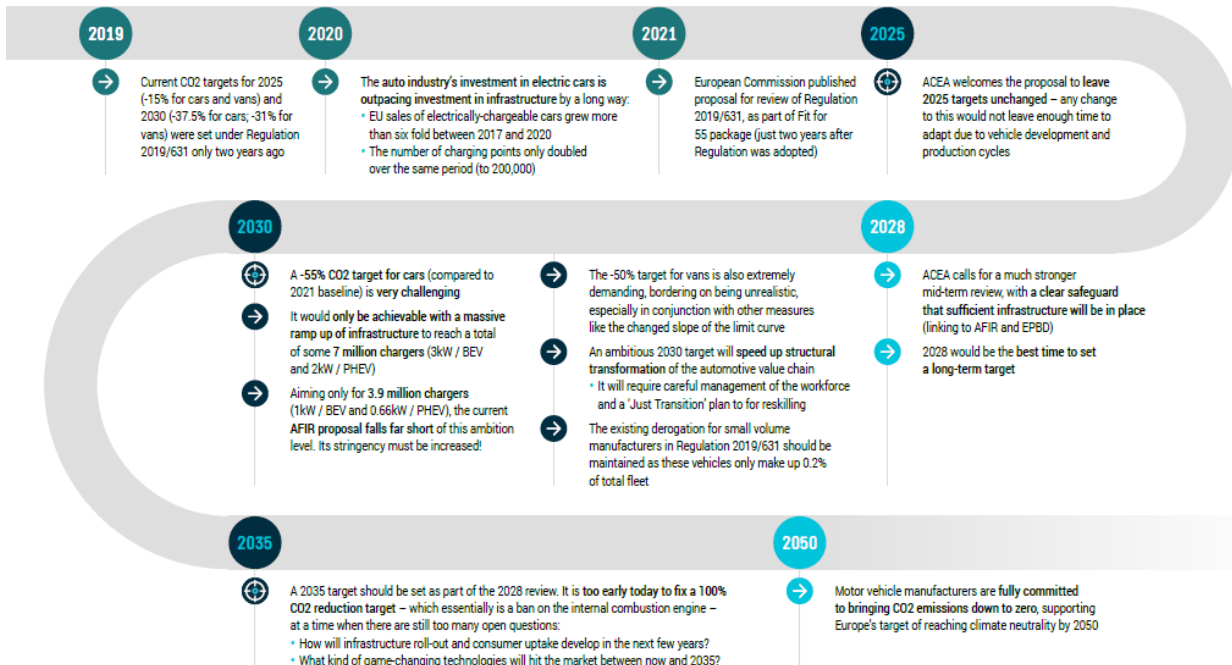
- Leave 2025 target unchanged
- 2030 ambition level must be fully in sync with AFIR targets
- Too early to set long-term 2035 target; wait until 2028, together with strong review



AFIR KEY RECOMMENDATIONS

	COMMISSION PROPOSAL	NEEDED IN REALITY
Charging capacity per battery electric vehicle (BEV)	1kW	3kW
Charging capacity per plug-in hybrid electric vehicle (PHEV)	0.66kW	2kW
Total charging points	3.9 million	7 million

www.acea.auto



www.acea.auto

Courtesy: European Automobile Manufacturers Association

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?

Yes.

MTAA strongly believes that care must be taken not to rule in or out the individual choice of mobility options or disadvantage any group or individual. The case for increasing EV uptake is sometimes distracted or distorted by simultaneous discussions on broader micro mobility with E-Bikes and Scooters as part of some jurisdictions' future transport strategy.

While the benefits of E-Bikes, Scooters and motorcycles are essential, their use and role are unique across the nation. Messaging requires consideration to identify that reference will not undermine EV Uptake by being interpreted by some as a punitive measure to remove cars altogether.

For example, current discussions about E-Bike uptake centre on constraints caused by legislation based on a European standard that caps speed to below 25 kilometres per hour. This makes E-Bikes unsuitable for longer-distance commuting. US and Canadian E-bike standards have a 32 kph speed cut-off, and this standard would be more attractive for Australia and help reduce emissions by attracting increased participation. However, the intersection of E-Bikes and other road users will require careful consideration.

In addition, the proliferation of E-scooters and bikes is creating re-thinks and renewed policy considerations in some countries. The United Kingdom Office of Low Emission Vehicles (OLEV) is considering a new legal framework for approving innovative new vehicle types, including e-scooters. According to OLEV, this micro-mobility framework aims to create opportunities for British industry, provide a low-cost way of travelling to work, and improve E-Scooter safety.

OLEV informed the MTAA Leadership team during a meeting in London last month that the Office intended to create a new regulatory framework for small, light electric vehicles, such as e-scooters and use legislative powers to create a "Low-speed Zero Emission Vehicle" category (LZEV), independent from the cycle and motor vehicle categories. The rationale for the proposal is to improve safety and crack down on irresponsible e-scooter use.

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

MTAA suggests the safest, most secure, and consumer-focused means of increasing the number of affordable second-hand EVs in the medium term is replicating existing resale mechanisms and processes to turn over government and company fleets today.

More significant numbers of fit-for-purpose EVs supplied into Australia will create the critical mass for second-hand EVs. can build. MTAA does not recommend or support government intervention by changing importation rules or other shortcuts. This leaves government and corporate fleets as the most likely option. As demonstrated across Europe, a critical mass will only be achieved with a commitment to sustained incentives and subsidies.

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

MTAA believes any suggestion to relax motor vehicle importation rules to try and increase EV uptake is illogical and misplaced. Existing arrangements for the personal importation of vehicles under the Specialist and Enthusiast Vehicles (SEVs) and Registered Automotive Workshop (RAWs) Schemes are sufficient for any Australian wishing to import a motor vehicle, including a zero to low emissions vehicle.

What appears to be not understood each time these suggestions have been raised is that the costs of compliance, monitoring, enforcement, and maintaining consumer safeguards would far outweigh any perceived benefit.

There is no obligation on a brand in Australia, either directly or through an importer or distributor, to take any responsibility for a motor vehicle imported into the country outside of everyday arrangements. 'Grey' and parallel imports already cause issues in Australia through loopholes in existing laws and regulations.

If MTAA could be assured that any scheme's compliance, monitoring, and enforcement were robust enough to avoid inevitable consumer detriment, then further investigations may be warranted. However, MTAA Members have many past experiences demonstrating that when a small concession on import rules is given, there will be those seeking to exploit any gap. Risk is then transferred to the consumer, which is untenable. MTAA and Members already field calls each week from consumers caught in loopholes simply by purchasing vehicles online interstate, finding out the product is not what they were led to believe or has failed and getting caught in a bureaucratic nightmare. Current arrangements protect consumers against unscrupulous wholesaling of imported vehicles. If vehicles were imported under new arrangements, protections against system abuse must be rigorous and enforceable. Parallel and 'Grey' imports already cause issues for unsuspecting consumers of some motorcycles and farm machinery,

Certain brands of tractors, for example, can be imported into Australia and purchased via auction houses at reduced prices because they do not have the required safety equipment. The tractor looks the same and may even have the same model identifiers, but it was manufactured for another market where the safety requirement is not as rigorous. The manufacturer's Australian office regularly has these parallel imported tractors presented by owners for service and repair even though they were not imported by the manufacturer and are unknown to the Australian distributor.

'Grey' imports of second-hand EVs are unlikely to be supported by OEMs or repairers, leaving purchasers of these vehicles with no recourse under the ACL, which has the potential for significant problems for consumers in terms of product failure and access to spare parts and repairs.

MTAA respectfully suggests that if the only reason for considering a relaxation is to increase EV uptake, a cost-benefit analysis would need to include the costs of establishing provenance, history, remaining battery life, monitoring and enforcement and the necessary checks and balances to ensure Australian Consumer Law provisions are followed.

The intention of the Strategic Plan must remain to get as many Australians as possible into new EVs by tackling the issues preventing supply rather than shortcuts likely to be one of those levers where the govt's intention should be to get as many people as possible into a new EV, by incentivising them with appropriate subsidies and/or support for home charger installations.

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

MTAA has addressed this question in other responses.

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



SEA electric trucks announced last month the doubling of its assembly capacity at its Melbourne operations.

As also highlighted in the Consultation Paper, Australian EV Truck and commercial van pioneer SEA Electric has demonstrated, like SAVIC motorcycles, the capacity, capability, innovation, and skills of Australian EV enterprises.

Mack, Kenworth, Volvo trucks, a range of articulated trailers, and industrial, agricultural, and other specialty vehicles continue to be made, modified, or converted in Australia for the Australasian market. Component, part, aftermarket, and accessory manufacturers also support those manufacturers.

In addition, many specialised or niche vehicle manufacturers, including the Australian Defence Force Bushmaster armoured vehicle currently being provided to Ukraine forces. Other businesses provide conversions of limited numbers of vehicles for largely US-based brands, including RAM, GMC, Ford, and others.

If the Government's objective is to revitalise heavy vehicle manufacturing, this is another opportunity for targeted incentives and subsidies.

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



Yes, it is.

As the Consultation Paper already recognises, new entrants have many opportunities. Savic Motorcycles in Melbourne is about to enter total production.

The issue is the mass production of models in their thousands on production lines to achieve economies of scale. This is problematic if the market is confined to Australia, New Zealand, and the neighbouring Pacific Region. Many factors that influenced Ford, Toyota, and General Motors Holden to cease manufacturing in Australia and close and sell manufacturing plants remain. These factors will be difficult to overcome in any renewed attempt to manufacture or assemble mass-produced models. These factors include high minimum wage (in comparison with Asia), supply chain costs for parts, components that can originate in other countries, size of the Australasian market, previous, ongoing difficulty to identify additional international markets for export, lack of skilled labour in a near full employment environment and a range of other factors.

However, Australia can still build on core manufacturing capability and continue the success stories of hundreds of companies that have found niches in rapidly evolving markets.

The most significant opportunities lie within mining and mineral extraction and value-added industries such as battery production and recycling. The semiconductor supply issues to the automotive industry and the pandemic have also raised the need to decentralise operations away from single-source suppliers or increase the number of production facilities to avoid reliance on a single market/country.

There is also potential for some auto waste recycling and reuse businesses if Australia formalised an End-of-Life Vehicle decommissioning destruction and recycling framework.

3.3 ESTABLISH THE SYSTEMS AND INFRASTRUCTURE TO ENABLE THE RAPID UPTAKE OF EVS

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

MTAA believes EV uptake, fleet transition and, ultimately, decarbonisation of the national vehicle fleet are dependent on addressing those matters that can undermine these outcomes. Matters include renewable energy to feed to the grid, infrastructure to provide the power where and when required and transparency and clarity on the regulations, taxes, and costs.

Training and skills development

While governments may set targets on converting the fleet to electric (HPEV or BEV), there are practical implications for safely handling electric vehicle batteries, which will require training. For example, this is a prerequisite for the recently mandated law requiring automotive data providers to provide access to motor vehicle service and repair information. This is especially important in the independent service, repair, and after-market automotive industries. Secondhand dealerships, service centres, body repairers, tow truck operators, heavy vehicle repairers and recyclers, to name a few, will all need to be trained in how to deal with this new technology safely.

Training to safely depower and repower an EV battery requires one day of on-the-job training. All automotive industries will be required to undertake this training to ensure that workers are safe and secure in their workplaces.

Accredited Registered Training Organisations (RTOs) are best placed to undertake this training; however, the cost of equipment and tools is costly. These costs will have to be reimbursed by automotive businesses, primarily small and family businesses.

While big businesses and international automotive dealers have the flexibility of scale to adapt rapidly to technological, market and economic change, small businesses – both in large cities and regional centres – do not have the same agility and capacity to adapt to rapid change.

On top of keeping up to date with technological changes, small businesses have smaller margins to adapt to the conversion to ZLEVs. Retooling, reskilling, and training of staff will incur high out-of-pocket costs to bring workshops up to speed, along with the added costs of new equipment and replacement equipment – especially in parts of the supply chain that may not have previously needed such equipment or training will have a high cost to small businesses bottom lines.

Electric vehicle batteries can have a voltage range upwards of 60V and typically operate between 400 and 800V DC, far higher than standard vehicle voltages. This makes working on electric vehicles more dangerous due to the risk of electrocution.

MTAA Member MTA-NSW estimates that the one-day safety course to depower an electric battery properly could cost upward of \$600 per person.

Business owners, including small business owners, will need to undertake this training to fulfil their obligations under Section 19 of the Work Health and Safety Act (2011), and meet requirements for access to motor vehicle service and repair information, to ensure worker safety, adding to their ongoing costs. Small businesses must have their workforces attend physical training at different locations across the state. This will cost small businesses for training, travel, and loss of output due to the time lost. Compounding the cost to small businesses is the cost of new equipment.

An essential safety equipment kit is a requirement for work on an electric vehicle and is valued at approximately \$1500. This does not consider upgraded equipment for diagnostic work, tools for operating on electric vehicle batteries or replacement equipment such as safety gloves.

MTAA recommends that consideration be applied in the Plan to the requirements of training, skills development, and the availability and application of incentives and subsidies to assist industry adjustment.

Excise Tax and Road User Charges.

The National EV Strategic Plan must, at a minimum, record a goal to review the taxation regime applying the nation's 20 million-plus vehicle fleet and recommend a new structure including, if appropriate, road user charging.

There is no question that there will be a corresponding reduction in fuel excise as EV uptake increases. The Strategic Plan should contain actions to develop a Federally led and nationally consistent review and restructure automotive relation taxation.

If timeframes and transition milestones are determined in the Strategic Plan, tax revenue impacts and measurement should also be measured, recorded, and reported.

MTAA raised the importance of starting a debate on road user charging in 2015 at a national automotive summit, citing the first trial of road user charging mechanisms and processes in the US state of Oregon and arranging for the then Oregon Department of Transport user charges project executive to address the Summit.

Oregon was the first jurisdiction in the world to introduce a fuel excise and the first to start investigations into an alternative funding model. The Oregon legislature took this action because, in 2015, Oregon was already experiencing falling fuel excise revenue due to electric vehicle uptake and ballooning road maintenance and construction costs.

Since then, MTAA has been unable to get any interest or leverage in convincing the Commonwealth Government to start the debate, and little own develop policy work or plan of action. Meanwhile, the Oregon legislature has cemented the user charging regime called 'OReGO' and improved it several times.

Additional details can be obtained at:



The Commonwealth policy vacuum on user charges opened the door to rushed policymaking and a flurry of jurisdictional policy and scheme announcements.

In the opinion of MTAA, the implemented road user charging regimes are inconsistent, devoid of consideration of vehicle and other technologies, piecemeal and premature in their development and ignorant of associated policy considerations such as privacy, data use, fairness, and equity. Frankly, MTAA views the current application of road user charges by one jurisdiction as a premature revenue grab that undermines EV uptake. That PHEV and Hybrid users are double taxed indicates the unnecessary haste and piecemeal approach to important policy considerations.

While the Consultation Paper raises the topic and recognises there is work to be done, MTAA suggests it be included in the Strategic Plan with straightforward actions. Otherwise, it will continue to drift.

Other Automotive tax impediments

Similarly, other impediments to EV uptake are archaic inconsistent legacy taxes from a bygone era. Their abolition would remove further obstacles to EV uptake and provide an improved impetus for reform. Multiple jurisdictional stamp duty inhibits purchasing decisions, and the Luxury Car Tax (LCT) is increasingly just a lousy tax that should not exist now that car manufacturing has ceased. Adding a bike rack can send a car over the LCT threshold. The price disparity between ICE and electric vehicles is unlikely to be addressed soon. Stamp duty charges and LCT applications will continue to be impacted, particularly on top of GST. LCT must be removed.

EV Charging Stations and home charging

Information from Europe suggests that even the 150km adopted in the latest EV charging infrastructure rollout plan is insufficient. EV charging stations should be situated ideally every 50 to 75 kilometres to address charge and range concerns giving people increased purchasing and recharging confidence, particularly in rural/regional areas.

MTAA is aware that some consumers discover issues with their home electrical and wiring systems when investigating a home charge point as part of a vehicle purchase. Improved incentives will alleviate some of these concerns.

If not already underway, a Strategic Plan action should include work to start on bi-directional capability.

End-of-Life Vehicle ELV Decommissioning/Recycling

Australia generates more than 700,000 End of Life Vehicles (ELVs) annually, creating 1 million tonnes of waste. A proportion of this goes to landfill, while other materials are reused or recycled. Much of the auto waste going to landfills could be reused, recycled, or reprocessed into energy.

Currently, the Federal Chamber of Automotive Industries (representing the product manufacturer) and MTAA are undertaking a project to determine whether the treatment of ELVs could be a Product Stewardship Program and, if so, what will be required in terms of a voluntary, co-regulatory or.

Australia is one of the few OECD countries that does not have a legislated motor vehicle decommissioning and recycling framework. MTAA Members have automotive dismantlers and recyclers as constituents. MTAA and its Members have advocated for over a decade for a formalised legislated mechanism for ELVs.

MTAA anticipates that EV uptake will result in a corresponding increase in ICE vehicles being presented for decommissioning and recycling.

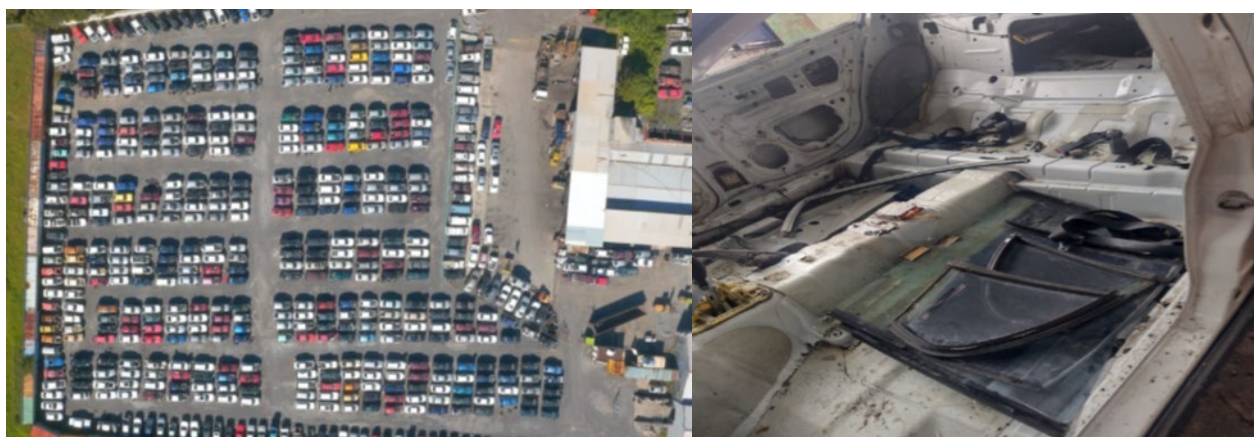
MTAA suggests one option for targeted incentives, pending the outcome of current Product Stewardship investigations, is incentivising owners of older vehicles or ICE vehicles of limited value to deposit their vehicle with an accredited vehicle recycling facility for the payment of credit or amount for use in the purchase of an EV. The amount would need to cover the cost of transportation to a facility when the car cannot be driven and decommissioning costs incurred by the facility to recycle the ELV.

It is important to note that what is being proposed is not a 'Cash for Clunkers' program. These programs are usually short and can be subject to complexities due to their intent.

MTAA believes any incentive payment could be linked with the eventual ELV program, where an incentive would be paid, conditional that the ELV will be processed at a duly accredited facility, with authority to issue a certificate of destruction, and where the recycling and reuse of auto waste from that ELV is assured.

This is a concept only at this stage, but it presents a potential win-win environmental opportunity to put structure, reuse and recycling around encouraging EV uptake.

MTAA and FCAI will have the Product Stewardship project (being oversighted by DCCEEW) completed by early 2023 with recommendations to the government.



Dealing with End-of-Life Vehicles will take on a level of urgency as EV uptake increases and more ICE vehicles are presented for decommissioning, destruction, recycling, and auto waste reuse. There is capacity and capability to increase the removal of materials for recycling and reuse and reduce auto waste to landfill.

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

The National EV Strategic Plan is the catalyst, the ongoing reference point, and the clarity provider for Australia's effort to reduce the GHG contribution of the nation's passenger and light commercial fleet. For this reason, it may be more than just how to increase EV uptake but all the moving parts that influence this outcome. In terms of lessons learned, MTAA suggests the following observations are pertinent to the success or otherwise of EV Strategies and implementation.

In 2020, the Oxford Institute for Energy Studies conducted a workshop with experts from the electricity, oil, auto, mobility, finance, and technology sectors to discuss 'EV Uptake in the Transport Fleet: Consumer Choice, Policy Incentives & Consumer-Centric Business Models'. The workshop had seven key takeaways pertinent to the development and implementation of Australia's first National EV Strategic Plan:

- 1. A lack of policy coordination between national governments and local authorities could slow the pace of the EV transition.*
- 2. Governments have largely favoured 'carrots' rather than 'sticks' in designing policy incentives to promote EV uptake – but their targeting has differed in advanced and emerging economies.*
- 3. Timelines for EV incentive schemes need to be consistent with the minimum timelines required for auto manufacturing supply chains to adapt.*
- 4. Interoperability is a key component of government policies to promote EV uptake, but could also slow innovation around new business models.*
- 5. The design of EV uptake policies needs to take consumer choice into account, while also promoting consumer education.*
- 6. Fleet-based business models provide an opportunity to rapidly scale up EVs in an economy.*
- 7. EV uptake policies in advanced economies need to adopt 'whole systems' or 'circular' approaches to mitigate externalities beyond the boundaries of their own societies.*

*EV-Uptake-in-the-Transport-Fleet-Seven-Key-Takeaways.pdf (oxfordenergy.org)
Takeaways summarised by Anupama Sen, Senior Research Fellow & Executive Director
on the OIES Electricity Research Programme.*



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MTAA realised that the automotive industry's peak representative organisations were not far apart on a range of issues impacting the industry and had been steadfastly trying to get peak automotive associations on the same page where able. Some commentators have scoffed at the adopted position that all ten peak automotive organisations '*embrace the transition to electric vehicles*'. But this statement signals to all Australians that electrification of the national fleet will happen. Has commenced and will gather pace with the right policies and actions.

MTAA notes that some European countries' EV transition approach has involved formal partnerships with Industry and other stakeholders. MTAA believes such approaches have merit, increase ownership of the national plan, and promote shared responsibility.

MTAA believes there is merit for a senior-level interdepartmental task force to facilitate and coordinate work on requirements of the Strategic Plan and an Industry and Government Taskforce to be a resource to DCCEE and Infrastructure and Transport and other department participants and Industry to drive the strategy, address any issues arising and participate in monitoring and reviews. These two groups could also have the authority to invite other individuals or groups where specific expertise or experience might be required to progress specific actions.

For example, for the 'German Charging Infrastructure II Master Plan'(mentioned earlier in this submission) adopted this month, the German Federal Ministry of Transport engaged with 80 stakeholders, including federal states, municipalities, associations, and companies, to develop the near 70 actions.

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

Australians understanding and acceptance of the Strategic Plan, its pathways and contributions to the desired outcomes are critical to its success. Communication transparency, accuracy, frequency, and timeliness will be paramount. The government and industry cannot risk mixed messages or rely on aspirational statements without foundation.

Government intervention in any market is often resisted, and neither government nor industry should not under or overestimate Australians' reliance on or love of their motor vehicle. For some, cars and even driving are unimportant. For others, it is a life necessity and one that, in some circumstances, cannot be easily replaced. The Strategic Plan's goals, objectives, actions, and outcomes mustn't unfairly impact any Australian group.

The Plan must:

- Be comprehensive but not complicated. Realistic, not fiction. Logical, not disconnected.
- Be the one-stop reference for the nation's approach to transitioning Australia's 20million strong vehicle fleet over time to reduce road transport's contribution to Australia's GHG emissions.
- Provide timetables and milestone reporting to keep Australians informed.
- Include the infrastructure plan to tell Australians where they can recharge and at what cost.
- Explain that when Australians reach a State or Territory Border, there is familiarity with charging infrastructure, mechanisms, access, and payment options because the Plan provides Federal leadership and national consistency.
- Detail a framework for nationally consistent, federally led incentive and subsidy initiatives.
- Recognise the importance of jobs and skills and ensure government policy enables the workforce required now and in the future.
- Rule out using policy levers to fast-track outcomes or pressure recalcitrant sections of the community or individuals.
- Consult, Communicate, Respond, Review, and Report.

End of Submission



**MOTOR TRADES
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