

Questions on Notice Taken by AFIA on 23 August 2022

1. **Senator RICE:** Have you considered, as a way of reducing that cost, tightening the eligibility criteria as to what is a ZLEV? I think it's currently seven litres per 100 kilometres. If we tightened that to, say, four litres per 100 kilometres, you'd have fewer cars but they would be the most fuel efficient and the lowest carbon ones, so you're applying that eligibility to a smaller pool of cars that are the most fuel efficient or zero-emissions cars?¹

AFIA Response: AFIA supports the current definition of ZLEV in the Bill.

Any measure which limits the range of vehicles to which the scheme applies may drive up the cost of vehicles for consumers by limiting supply.

If the cost of ZLEVs goes up, this will limit the emissions reduction capacity of the measure.

AFIA also notes that there can be wait times over 12-months for ZLEVs.

Narrowing the range of models available under this measure may further impact those wait times.

2. **Senator DEAN SMITH:** So when we think about the uptake from this specific initiative, minus your nine improvements, what's the quantity of extra EVs on the road?

It's an exercise that you could do with the resources that are available to you and the information on salary packaging and financial arrangements?

I've asked other submitters to have a look at the submission from the Institute of Tax Accountants. In their submission, they have sought to quantify, year on year, what the expected improvement would be.

If you could have a look at that and provide a judgement about whether or not you thought it was accurate and whether it was in the ballpark or not in the ballpark, that would be beneficial²

AFIA Response: AFIA cannot provide any further detail on this matter.

3. **Senator DEAN SMITH:** I'd be interested in the salary range at which salary packaging looks attractive to an employee. What is the salary range at which an organisation might start to make it available to their employees as well? I note your point about the small business access, which is an important one³

AFIA Response: AFIA cannot provide any further detail on this matter.

4. **Senator DEAN SMITH:** To what extent was your association consulted on the design of this particular initiative?⁴

AFIA Response: There was no consultation on this initiative prior to this submission.

¹ August 23 Hearings, Page 13.

² August 23 Hearings, Page 15.

³ August 23 Hearings, Page 15.

⁴ August 23 Hearings, Page 15.