



Government
of South Australia

Department for Infrastructure
and Transport

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Committee Secretary
Standing Committee on Climate Change,
Energy, Environment and Water
PO Box 6021
Parliament House
Canberra ACT 2600

Email: cceew@aph.gov.au

Dear Committee Secretariat

RE: Inquiry into the transition to Electric Vehicles

I refer to the correspondence from Mr Tony Zappia MP, Chair of the House of Representatives Standing Committee on Climate Change, Energy, Environment and Water to the Hon Peter Malinauskas MP, Premier of South Australia dated 29 January 2024, inviting the South Australian Government to make a submission to the inquiry into the transition to Electric Vehicles (EV).

In response to the Terms of Reference, the Department for Infrastructure and Transport (the Department), provides the following:

The establishment of resources, systems and infrastructure required to support transition to EVs:

- a. Regional and remote areas face significant challenges in transitioning to EVs, especially where grid capacity is limited. The majority of South Australia's land mass is not covered by the national electricity grid. To provide regional communities and freight with access to the benefits of EVs will require investment in the local electricity grid and zero emission fuel infrastructure.
- b. The Australian Government's commitment to have recharging available every 150 kilometres on the National Highway Network is an important foundation infrastructure investment, especially for regional Australians.
- c. Currently, eligible new battery, electric and hydrogen fuel cell vehicles first registered from 28 October 2021, have an automatic three-year exemption from motor registration fees applied. The 2023-2024 registration fee exemption for an eligible battery EV is \$148 for a 12-month registration period. Other registration related charges including compulsory third-party insurance, the Emergency Service Levy, stamp duty are still payable when a vehicle is registered. A price cap of \$68 750 applies.

- d. Freight operators are seeking increases in statutory heavy vehicle mass limits to support increased uptake of zero emission heavy vehicles, without loss of productivity or efficiency relative to other heavy vehicles.

To inform long term access arrangements, a Low and Zero Emission Heavy Vehicle Trial Scheme (Trial Scheme) was launched in October 2023. The Trial Scheme enables operators of eligible low and zero emission heavy vehicle combinations, including combinations with a battery-electric powered prime mover, to access pre-approved South Australian route networks at masses higher than the relevant statutory limits. The heavy vehicle combination must be in an eligible configuration and fitted with specified safety technologies.

South Australia is working closely with industry stakeholders to investigate further expansion of the Trial Scheme. Any decisions taken to expand access will balance supporting transition to EVs with impacts to road pavements and the safe use of bridges and structures.

Further infrastructure investment is needed to facilitate the operation of heavier electric freight vehicles. This would include necessary safety upgrades to bridges and other structures as well as pavements, and engagement with all road managers including local government.

- e. South Australia recognises the essential role of action at the national level to address some key challenges associated with emissions reduction and the transition to EVs. South Australia supports the introduction of vehicle efficiency standards for Australia that are consistent with emissions targets and aligned with standards in similar nations. The Australian Government's proposed New Vehicle Efficiency Standards will reflect these ambitions by aligning Australia with the vehicle efficiency standards in the United States by 2028.
- f. The electrification of public transport will also require investment to convert to zero emission operation through fleet technology and there will be opportunities to shift future investment towards public and active transport (including point to point such as taxis, Uber, etc) that supports population growth and is integrated with land use.

South Australia is developing business cases for the electrification of its buses and remaining diesel passenger trains and is currently trialling two hydrogen buses and electric buses. Hybrid buses also operate on the public transport network. The South Australian Government has committed to no more diesel buses, as part of its commitment to cleaner and greener public transport.

- g. Road agency jurisdictions, including the Department, are participating in a national project, led by Austroads, to add additional data attributes in the National Exchange of Vehicle and Driver Information System (NEVDIS) to enable EVs to be separately identified as part of the vehicle's registration record.

The additional data fields will assist the Department in maintaining accurate data on the EV fleet in South Australia and with ad hoc requests to provide EV statistics. The current data contained within the Department's Registration and Licensing database (TRUMPS) about a vehicle's fuel type does not contain sufficient accurate data to enable the release of EV data. The additional NEVDIS data fields will assist the South Australian Government if future road user charges for EVs is progressed.

The impact of moving from internal combustion engine vehicles, including fuel excise loss, existing auto industry component manufacturers and the environment:

- a. The impact of the transition to EVs is expected to be overwhelmingly positive for Australia and essential for the achievement of emissions reduction targets.
- a. South Australia notes the significant benefits highlighted for light vehicles that would arise from the transition path outlined in the New Vehicle Efficiency Standards, including:
 - i. \$108 billion in fuel savings and in excess of \$5 billion in health benefits from a reduction in air pollution.
 - ii. From 2028, \$17 000 in savings over the life of a new vehicle on average, with the highest savings in regional Australia where driving distances are longer.
 - iii. By 2050, a reduction of 369 million tonnes of carbon emissions.
- b. The transition to EVs will see a gradual decline in fuel excise revenue to the Australian Government. In October 2023, the High Court of Australia determined that only the Australian Government has the constitutional power to introduce a distance-based charge. Such a charge would need to be implemented consistently across Australia.

It is important that any future distance-based charge by the Australian Government is developed and implemented in cooperation with all jurisdictions and balances long term fiscal responsibility with the achievement of Australia's emissions reduction targets.

The opportunities for fuel savings, such as by combining EVs with other consumer energy technologies and savings for outer suburban and regional motorists:

- a. The Australian Government's proposed New Vehicle Efficiency Standard will help deliver savings to those Australians.
- b. In addition to supporting access to the road network for operators of eligible electric heavy vehicles combinations, the Low and Zero Emission Heavy Vehicle Trial Scheme (Trial Scheme) also supports access for heavy vehicles powered by other low emission energy technologies. For example, the Trial Scheme is available to eligible heavy vehicle combinations where the prime mover is powered by a hydrogen engine, a hydrogen-electric motor, or an engine powered by sustainably sourced alternative fuel.
- c. The use of EVs in the passenger transport point-to-point industry provides opportunities for fuel savings, and reduction of noxious pollution and greenhouse gas emissions in these high use vehicles. Currently there are no measures which specifically target the uptake of hybrid/low/zero emission vehicles in South Australia's point-to-point industry (taxis, rideshare and chauffeur).

The impact on electricity consumption and demand:

- a. Electricity (General) (Planning and Forecasting Function) Amendment Regulations 2024 propose to ensure electricity supply capacity can meet demand reliably and securely while also meeting South Australia's carbon emissions targets.
- b. The electricity demand for a fully electrified metropolitan passenger bus fleet in South Australia represents approximately a 3.5% increase over current daily demand.

The opportunities for expanding EV battery manufacturing, recycling, disposal and safety, and other opportunities for Australia in the automotive value chain to support the ongoing maintenance of EVs:

a. No comment.

The impact of Australia's limited EV supply compared to peer countries:


a. The proposed New Vehicle Efficiency Standards are expected to significantly increase consumer choice for new vehicles. Australians currently face restricted choice and supply of EVs. In 2022, there were 500 EV models available globally, compared to 45 EV models available for sale in Australia.

Any other relevant matters.

- b. The South Australian Government has implemented the EV parking offences of the national road rules, commencing in late March 2024. The two offences are:
- i. Parking a non-EV in an area reserved for EV parking.
 - ii. Parking in an EV charging area without the vehicle being plugged in. The offences attract expiation fees of \$75 and \$111 respectively and carry the maximum court-imposed penalty of \$1 250.

Thank you for the opportunity to provide a submission on the inquiry into the transition EVs and I wish you all the best with the inquiry.

Yours sincerely


John Wierlan
Chief Executive

25 March 2024