



Australian Government
**Department of Industry,
Innovation and Science**

OFFICE OF THE SECRETARY

Senator Tim Storer
Chair
Senate Select Committee on Electric Vehicles
Parliament House
CANBERRA ACT 2600



Dear Senator Storer

Thank you for your letter of 23 October 2018 regarding the Department of Industry, Innovation and Science (DIIS)'s evidence to the Senate Select Committee on Electric Vehicles (the Committee) public hearing on 17 August 2018.

As requested by the Committee, DIIS has reconsidered the evidence provided both at the hearing and in its response to the Question on Notice (QoN) and makes the following submission.

In relation to the evidence provided at the public hearing, DIIS can confirm that our responses are accurate and there is no need to amend the evidence provided at the hearing.

With regard to our response to the QoN concerning "the notebooks of officials that have attended insofar as there are notes relating to electric vehicles", we confirm that our response was accurate, with one amendment.

As previously advised, all but one of the industry portfolio officials who attended meetings of the Ministerial Forum on Vehicle Emissions (the Forum) prior to July 2016, have since moved to the Energy and Environment portfolio as a result of the Machinery of Government (MoG) changes in 2016. Accordingly, the Energy and Environment portfolio will respond on behalf of those officials.

DIIS advised in its QoN response that the sole remaining industry portfolio official attended several Forum meetings. Upon review of this information, DIIS now wishes to correct this advice, as the official only attended one meeting (4 February 2016 at Parliament House). As previously advised, the official confirms he has no notes from that meeting and does not recall electric vehicles being discussed. While the official was also on the attendee list for the 4 April 2016 Stakeholder Forum, he was unwell on the day and did not attend.

Regarding the question as to why DIIS officials did not correct the record following the Infrastructure Department official's assertion about the existence of minutes of Forum meetings, DIIS had no reason to question the assertion. As the Infrastructure Department was secretariat for the Forum, Infrastructure officials would have been responsible for any minutes for the Forum. The DIIS officials who appeared before the Committee had not been involved in the work of the Forum so had no knowledge regarding minutes.

With regard to your request for DIIS to provide copies of minutes for all of the Forum meetings, stakeholder meetings and any other information, DIIS has become aware of one record of the meeting for the 4 April 2016 Public Stakeholder Forum which was held on departmental files. This is the same record provided by the Infrastructure Department under the Freedom of Information request. The record has several references to electric vehicles. Refer Attachment A.

Thank you for raising these matters with me. If you have any further queries, please contact Mr Darren Atkinson, Manager of the Advanced Manufacturing Section.

Yours sincerely

Heather Smith

2 November 2018

SUMMARY OF SECOND STAKEHOLDER ENGAGEMENT SESSION

Welcome and introductions	Ms Judith Zielke, Deputy Secretary Department of Infrastructure and Regional Development
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Ms Zielke welcomed attendees

Ms Zielke advised that the purpose of the meeting was to discuss the issues raised in the discussion paper in more detail, and help inform submissions to the discussion paper.

Ms Zielke confirmed that the next steps would be the development of Regulation Impact Statements (RIS) to consider the introduction Euro 6/VI for light and heavy vehicles and standards for fuel efficiency (CO₂). She confirmed that modelling would be undertaken as part of the RIS process and external input would be sought.

She also advised that an updated national framework for intelligent transport systems will be considered at the next meeting of the Transport and Infrastructure Council. A key focus of this framework would be a coordinated approach between governments.

Approaches to CO ₂ Vehicle Emissions	The Hon Greg Hunt MP, Minister for the Environment
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Minister Hunt opened the discussion on greenhouse gas emissions. He emphasised that the Government would keen to work with all interested parties on a whole of government package of measures for motor vehicles.

He noted that Australia was on track to meet its emission reduction targets for 2020. He also noted that the transport sector accounts for about 17% of Australia's greenhouse gas emissions, but would only be expected to contribute 10% of the abatement required to achieve Australia's 2030 emission reduction target.

He also noted that the efficiency of the Australian and US light vehicle fleets had historically been similar but was starting to diverge as a result of measures adopted in the US and indicated that the proposed abatement would aim to realign with the US trajectory in the longer term.

Vehicle manufacturers indicated a willingness to work with government to drive changes in consumer behaviour.

Minister Hunt advised that there were no plans to influence consumer behaviour through fuel prices, but modest proposals for incentives could be considered, as long as it meets a net saving to Government and provides a net benefit to consumers. Vehicle manufacturers raised concerns about the risk of parallel imports undermining the effectiveness of mandatory standards for vehicle efficiency, if manufacturers were forced to restrict the availability of certain models.

Vehicle manufacturers also noted that standards in the US offer a range of credits for low emission vehicles and improvements outside the standardised test (such as air conditioning refrigerants), which may complement proposed abatement from ozone measures.

Minister Hunt indicated a willingness to consider other measures (such as vehicle inspections), if a net benefit and net saving to government could be demonstrated.

The gas industry suggested similar concessions should be offered for gas powered trucks.

When asked about timing, the vehicle industry considered that the introduction of Euro 6 should be linked to the availability of 10ppm sulfur petrol, which based on the advice of the petroleum industry suggested that 2025 would be more appropriate than 2020.

Approaches to Alternative Fuels and Electric Vehicles	The Hon Josh Frydenberg MP, Minister for Resources, Energy and Northern Australia.
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Minister Frydenberg opened discussion the role alternative fuels and vehicles could play in reducing vehicle emissions and the opportunities for these vehicles in Australia. It was noted that take up of electric vehicles has been sluggish to date, but costs were expected to come down in the longer term.

Vehicle manufacturers advised that they had faced challenges in marketing these vehicles to consumers due to higher cost and concerns about range and supporting infrastructure.

It was suggested that education about the benefits of alternative fuels and vehicles could help.

Vehicle manufacturers considered that collaboration between government and industry was important, without necessarily picking winners. However, they nevertheless expected that internal combustion would remain the dominant technology up to 2030.

Credits and government fleets could support new technologies.

The taxi industry has played a role in supporting the uptake of LPG and hybrid vehicles in Australia and has helped demonstrate their reliability. However, concerns were raised that the removal of age limits for taxis in some states would hamper the ability of the taxi industry to support new these technologies in the future.

It was suggested that electricity market reform may be required to support a wider uptake of electric vehicles.

Governments could play a role in the coordination of infrastructure for alternative fuels and vehicles.

MEETING CLOSE