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Mr Alan Raine
Committee Secretary
Senate Standing Committees on Economics
Parliament House
GPO Box 6100
CANBERRA ACT 2600

Dear Mr Raine

In response to your email regarding Questions on Notice from Senator O'Neill please find below specific responses.

- Why Australia is at the bottom of the pecking order for the delivery of fuel efficient and electric vehicles compared to other countries?

International carmakers respond to strong policy signals when allocating their limited supply of zero and low emission vehicles. An emissions reduction target complemented by incentives will help move our nation up the global vehicle supply list and ensure Australians can access the low emission vehicles they want to drive.

Regulations in place in Europe, China and North America have accelerated the electrification strategies of global car manufacturers. Large and highly regulated markets with significant volume opportunities are prioritised and EVs go to those markets before smaller markets with lighter regulations like Australia.

As a small fragmented right-hand drive market without a light vehicle CO2 regulation, Australia does not offer the approx. US\$9,000 to US\$10,000 per vehicle incentives that other nations do, making it an even lower priority market. Unless appropriate policies are put in place, accessible and affordable EVs will remain out of reach to many Australians.

Australia possesses characteristics that make it different to large left-hand drive markets. It has a high share of right-hand drive utes imported from Thailand, a segment with a slower electrification roadmap to that of full-size left-hand drive pick-ups in North America. It is important to note that the North American full-size EV pick-ups are unlikely to be produced in right-hand drive at the same price point of current Thai-produced utes. As such they remain an unviable substitute for the current Australian mid-size ute and the consumers who need these vehicles for business, farming and other purposes.

- What measures can the government put in place to increase the supply of more fuel efficient and electric vehicles in Australia?

As per the FCAI Submission, there are a range of additional policies that the government can introduce that would increase Australia's attractiveness as a priority market for fuel efficient and electric vehicles including:

- A national government mandated new car CO2 light vehicles fuel economy standard;
- Support for Electric Vehicle and Plug in Hybrid Vehicle charging and hydrogen refuelling infrastructure;
- Non-financial zero and low emission vehicle incentives (for example access to transit lanes, free parking, free charging);
- Mandated government fleet zero and low emission vehicle incentives procurement targets;
- Purchase Incentives; and
- Adoption of international fuel quality standards including alignment on the level of aromatics in petrol.

Please contact me or Matt Hobbs, Director of Policy and Advocacy, on [REDACTED] if you require any further information.

Your sincerely

[REDACTED]

Tony Weber