

Australian Greens' Additional Comments

1.1 The Greens welcome the committee report. Chapters 1 to 5 provide a comprehensive outline of the committee's inquiry and Chapter 6 makes important recommendations for government.

1.2 The Greens particularly welcome Recommendation 1 calling for a national electric vehicle strategy. The lack of coordination and leadership by the Commonwealth Government has been one of the major roadblocks to increasing electric vehicle uptake, and we strongly support a clearer and more comprehensive role for the Commonwealth.

1.3 However it is unfortunate that the committee recommendations do not reflect much of the testimony heard by the inquiry about the speed and urgency required for action if Australia wants to play a meaningful role in the future of the electric vehicle industry.

1.4 The weight of evidence received by the committee made it clear that the electric vehicle revolution is already underway and it is only a matter of time before they are the dominant vehicle technology.¹ Australia has a choice as to whether to be an early mover, with all the economic and environmental benefits that go with it, or a laggard.

1.5 We believe the committee recommendations, while a step in the right direction, lack the necessary ambition to put Australia on the path to becoming an electric vehicle industrial powerhouse and reaping the many benefits of fast and significant uptake of EVs.

1.6 The Greens believe that Australia is at a crossroads. If government policy and programs only reflect the limited ambition and lack of certainty of the recommendations of the majority report, Australia is at great risk of missing out on the many benefits electric vehicles would otherwise bring. Australia needs to act now - the window of opportunity is closing.

1.7 The evidence presented to the committee was clear that without a strong and growing domestic electric vehicle market, electric vehicle assembly and component manufacturing will struggle to develop as a viable industry in Australia. Mr. Behyad Jafari from the Electric Vehicle Council said:

The first thing that we need to look at, if we want to be participants inside of this new industry, is we need to at least be in the middle of the pack.

But the first thing they need to look at is if you don't have a market there yourselves, or if you have a market that is so far behind the rest of the world, it makes it very hard for me to justify bringing my investment to

1 Bloomberg New Energy Finance, *Submission 127*; Australian Renewable Energy Agency, *Submission 99*.

Australia, even though some of that investment does also include exporting within our region and globally.²

1.8 That is why any plan for the development of an Australian electric vehicle industry must put in place strong incentives for both manufacturers and consumers to increase the number of electric vehicles sold per year.

1.9 Growing climate disruption and the ongoing public health crisis from fossil fuel combustion make this transition even more urgent. Transport greenhouse gas emissions make up nearly a fifth of all of Australia's annual carbon pollution, with road transport alone making up more than 15%. Furthermore, air pollution from vehicle emissions caused 1715 deaths in Australia in 2015 according to a study by the Clean Air and Urban Landscape Hub and the Melbourne Energy Institute.³

1.10 Evidence provided in the committee report demonstrated that ambitious targets in both the short and long-term are required, as a strong investment signal for business and as a guide for policymakers and planners at all levels of government about the timing and speed of the transformation. The electric vehicle transition will be disruptive for many existing business models, but with strong government leadership, including with the setting of targets, negative impacts can be minimised and positive impacts enhanced and shared equitably.

1.11 Many countries around the world are sending these signals by setting phase out dates for the sale of new internal combustion engine light vehicles, with some of the more ambitious countries including Norway (2025), the Netherlands, Sweden, Denmark and Ireland (2030).⁴

1.12 If Australia wishes to become a leader in the electric vehicle industry, the Commonwealth Government will at minimum need to commit to a similarly ambitious phase out timeline.

Recommendation 1

1.13 That the Commonwealth Government commit to a 100 per cent phase-in of passenger and light commercial electric vehicles by 2030.

1.14 Countries such as China and states like California in the USA have had large successes in driving electric vehicle uptake by setting mandatory electric vehicle fleet standards for new sales by the major automotive companies.⁵

1.15 By requiring a set percentage of annual sales for each manufacturer to be electric vehicles, many existing barriers to purchase such as price, dealership resistance and consumer awareness will be mitigated by the automotive companies themselves to ensure that they are able to meet their targets.

2 Mr. Behyad Jafari, Electric Vehicle Council, *Committee Hansard*, Friday, 17 August 2018 p. 20.

3 ClimateWorks, *Submission 46*.

4 Electric Vehicle Council, *Submission 100*.

5 100 Renewable Energy Research Group ANU, *Submission 108*.

1.16 While non-mandatory Government targets serve as a useful signal to industry and society, they are unlikely to be met without sufficient incentives and penalties in place.

Recommendation 2

1.17 That the Commonwealth Government set mandatory electric vehicle sales targets for each year between 2020 and 2030.

1.18 The revenue and expenditure options mapped out in the Chair's additional recommendations provide a useful suite of near-term actions that Governments can take to boost electric vehicle uptake. Although the Greens would go further in providing near-term price incentives for consumers, we strongly support the adoption of these measures by any current or future Governments.

1.19 The Greens however cannot support the Chair's additional Recommendation 3 in relation to imposing road pricing on electric vehicles beginning in 2025.

1.20 While the Greens acknowledge the impact of electric vehicle uptake on revenue from fuel excise, any road pricing regime needs to be very carefully examined to ensure that it is equitable, transparent and will work effectively. This cannot be done by treating electric vehicles in isolation.

1.21 The combined urgency and complexity of the shift to road pricing is exactly why the Government announced a study of road pricing to be led by an eminent Australian in November 2016, but that eminent Australian is yet to be chosen and the study has been reported as shelved.⁶

Recommendation 3

1.22 That the Government immediately begin work on its proposed road pricing study and that that study report before the end of 2019.

**Senator Janet Rice
Australian Greens**

6 Andrew Tillett, 'Deputy PM Michael McCormack shelves inquiry into road pricing', *Australian Financial Review*, 5 October 2018, available at: <https://www.afr.com/news/politics/deputy-pm-michael-mccormack-shelves-inquiry-into-road-pricing-20181004-h1688d> .