Transport and Infrastructure Net Zero Consultation Roadmap

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Department of Climate Change, Energy, Environment and Water

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Australian Automotive Dealer Association

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Yes

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9 Who are you answering on behalf of?

Organisation

10 Organisation name

Australian Automotive Dealer Association

11 What best describes you or your organisation?

Industry

12 What sector do you represent?

Light road vehicles (cars, utes etc.)

13 What state or territory do you live in?

Australian Capital Territory

14 Postcode

2600

15 What area best describes where you live?

City

16 1. Do you support the proposed guiding principles?

Not answered

17 1.1 Please add details to your response.

Not answered

18 2. Do you support the use of the avoid-shift-improve framework as a tool to identify opportunities for abatement?

Not answered

19 2.1 Please add details to your response.

Not answered

20 3. Do you agree the development of a national policy framework for active and public transport will support emissions reduction?

Not answered

21 3.1 Please add details to your response.

Not answered

22 4. What should be included in a national policy framework for active and public transport and how should it be developed?

Not answered

23 5. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the movement of people contributes to transport emissions reduction?

Not answered

24 6.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure that the movement of goods contributes to transport emissions reduction?

Not answered

25 6.2. How would these actions address the identified challenges and opportunities for emissions reduction in the movement of goods?

Not answered

26 7. Do you agree with the proposed net zero pathway for light road vehicles?

Not answered

27 7.1 Please add details to your response.

Not answered

28 8. The Australian Government is currently developing an Australian New Vehicle Efficiency Standard and has already begun to implement actions in the National Electric Vehicle Strategy.8.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce light vehicle emissions?

Not answered

29 8.2 How would these actions address the identified challenges and opportunities to reduce light vehicle emissions?

Not answered

30 9. Do you agree with the proposed net zero pathway for heavy road vehicles?

Not answered

31 9.1 Please add details to your response

Not answered

32 10. The proposed pathway for heavy road vehicles relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels.Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.

Not answered

33 10.1 Please add details to your response. Why did you rank them in that order?

Not answered

34 11. What role should low carbon liquid fuels play in the heavy vehicle

decarbonisation?

Not answered

35 12. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce heavy vehicle emissions?

Not answered

36 13. Do you agree with the proposed net zero pathway for rail?

Not answered

37 13.1 Please add details to your response.

Not answered

38 14. The proposed pathway for rail relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels.Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.

Not answered

39 14.1 Please add details to your response. Why did you rank them in that order?

Not answered

40 15. What role should low carbon liquid fuels play in rail decarbonisation?

Not answered

41 16. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce rail emissions?

Not answered

42 16.1 How would these actions address the identified challenges and

opportunities to reduce rail emissions?

Not answered

43 17. Do you agree with the proposed net zero pathway for maritime?

Not answered

44 17.1 Please add details to your response.

Not answered

45 18. The Australian Government is engaging in consultation as part of the development of the Maritime Emissions Reduction National Action Plan and those consultations will also inform the final Roadmap and Action Plan. 18.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce maritime emissions?

Not answered

46 18.2 How would these actions address the identified challenges and opportunities to reduce maritime emissions?

Not answered

47 19. Do you agree with the proposed net zero pathway for aviation?

Not answered

48 19.1 Please add details to your response.

Not answered

49 20. The Australian Government has already engaged in consultation on aviation decarbonisation through the development of the Aviation White Paper and those consultations will also inform final Roadmap and Action Plan.

Not answered

50 20.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce aviation emissions?

Not answered

51 21. Do you agree with the proposed net zero pathway for transport infrastructure?

Not answered

52 21.1 Please add details to your response.

Not answered

53 22. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce transport infrastructure emissions and ensure that transport infrastructure is ready for and enables low-emission transport modes?

Not answered

54 22.1 How would these actions address the identified challenges and opportunities to reduce transport infrastructure emissions?

Not answered

55 23. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the energy mix is ready to support transport emissions reduction?

Not answered

56 24. How should the use of low carbon liquid fuels (LCLFs) be prioritised across different transport modes over time to achieve maximum abatement?

Not answered

57 25. What are the best ways for the Australian Government to work collaboratively with industry, business, governments and communities to implement the proposed pathways?

Not answered

58 25.1 What are good domestic or international examples of partnership and collaboration on transport and transport infrastructure emissions reduction that could inform the final Roadmap and Action Plan?

Not answered

59 25.2 What opportunities can Government leverage to show leadership in Australia and internationally?

Not answered

60 26. What measures and metrics should be used to evaluate the final Transport and Infrastructure Net Zero Roadmap and Action Plan?

Not answered

61 26.1 What other data and evidence could governments use and how could this offer further insights on the pace, scale and location of transport emissions reduction pathways?

Not answered

62 27. Do you have any feedback on the proposed review process?

Not answered

63 28. Do you have any further feedback on the Consultation Roadmap and proposed pathways?

Not answered

64 28.1 Is there anything missing? Are the sections appropriately integrated? Is the Roadmap appropriately ambitious?

Not answered

65 29. Is there any further information or documentation that you wish to be considered with your submission?

Not answered

66 Would you like to upload a document?

Yes

67 Have you removed any identifying information from your submission?

Yes

68 Upload a submission

2024.08.02 - Response to the Transport and Infrastructure Net Zero Consultation Roadmap_final.pdf

69 Upload a submission

Not answered

70 Upload supporting file

Not answered

71 Upload supporting file

Not answered

AUSTRALIAN AUTOMOTIVE DEALER ASSOCIATION

RESPONSE TO THE TRANSPORT AND INFRASTRUCTURE NET ZERO CONSULTATION ROADMAP

AUGUST 2024

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FOREWORD

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to make a submission in response to the Transport and Infrastructure Net Zero Consultation Roadmap.

The AADA is the peak automotive industry body representing Australia's franchised car and truck Dealers. There are 3,179 new vehicle dealerships in Australia employing more than 61,000 people directly, including around 5,500 apprentices, and generating $73.9 billion in turnover and sales with a total economic contribution of over $18 billion.

Each year franchised new car Dealers sell more than 1.5 million new and used vehicles, complete around 48 million individual service, repair and maintenance jobs and facilitate 476,978 finance contracts. New Car Dealers also employ around 5,530 apprentices and the commitment to training investment is around $31 million annually. Dealers make an annual tax and duty contribution of $6.8 billion and often make significant contributions to their local economies through sponsorships, advertising and indirect contributions.

The AADA and Australia's franchised new car Dealers support the development of the 'Transport and Infrastructure Net Zero Roadmap and Action Plan' and understand the significant role the transport industry must play in reducing emissions in order for Australia to meet its climate commitments.

Transport activity is expected to continue to increase out to 2050 in line with population and economic growth which makes the job of implementing successful and long term emission mitigation strategies ever more critical. The New Vehicle Efficiency Standard (NVES), development of comprehensive charging infrastructure and key measures to spur zero and low emission vehicle (ZLEV) demand will all be key pieces of the reducing transport emissions puzzle. It's critical that these measures are implemented in a considered way to ensure long term sustainable reductions and ensure that it is an ambitious but equitable transition.

Electric vehicle (EV) uptake in Australia is still being hampered by high upfront costs relative to comparable internal combustion engine (ICE) vehicles, lack of consumer choice in the vehicles Australians want, lack of charging infrastructure and range anxiety, particularly in regional and rural areas.

Dealers are able to be strong champions for this transition and play a key role in educating consumers on these new technology types through their significant and frequent interactions with consumers. However, Dealers also understand the needs of their customers and want to ensure that they can continue to supply the right vehicles Australian motorists want and need. New car Dealers will play an important role in supplying those vehicles to the market, as they sell the overwhelming majority of new cars in Australia. They will also be a key player in servicing, repairing and performing maintenance on these vehicles, particularly in the early years.

As such, it is critical that franchised new car Dealers must be a key consideration in developing any policy when seeking to accelerate this uptake and governments should take advantage of Dealers' extensive knowledge of the Australian market to ensure this transition does not come at the expense of affordability and consumer choice.

This submission details a number of recommended measures aimed at encouraging uptake of ZLEVs and ensuring that the demand for these vehicles accompanies supply side measures that seek to bring more of these vehicles into the Australian market.

James Voortman
Chief Executive Officer

[redacted]

AADA RESPONSE TO THE CONSULTATION QUESTIONS

1. Do you agree with the proposed guiding principles?

Yes

1.1 Please add details to your response.

The AADA agrees with the proposed guiding principles but urges consideration of the long term sustainability of emission reduction measures and ensuring that equitability is front and center of this transition.

When assessing proposed emission reduction measures against the proposed guiding principles, such as maximizing emissions reductions, it is important that it is also considered in terms of the long term sustainability of these measures. It is important when implementing policies aimed at reducing transport emissions, that these policies continue to be impactful over the long term. One such example of this are measures to encourage accelerated take up of EVs by the community, such as the NVES.

The AADA has continued to highlight the immense task for industry to meet the headline targets proposed in the NVES, particularly for the years 2027 and beyond which will likely involve heavy reliance on EVs sales in order for manufacturers to meet their targets. As an entirely supply-side measure, the NVES will do nothing to combat consumer sentiment towards EVs and encourage take up among consumers who are hesitant to purchase them. We have already seen consumers turn to hybrids and plug in hybrids as an intermediary step when considering lower emission vehicles. However, due to the stringent headline target, PHEVs may not even be able to meet these stringent targets in their own right.

This will mean a narrowing of the vehicle offerings by manufacturers and as such push consumers towards a technology they are not in favour of, or the infrastructure is not there to support. This could ultimately lead to the unintended consequence where consumers who own an EV are seriously considering switching back to an ICE vehicle, citing pricing, charging infrastructure, and driving range as their reasons against purchasing another zero-emissions car[1]. In a global survey, Australians ranked highest in the proportion of EV owners (49%) likely to switch back to ICE vehicles.

The AADA has concerns that if measures do not acknowledge the important role for hybrids and PHEVs in this transition it risks consumer backflips and encouraging consumers towards higher polluting and less efficient vehicles. This is significantly counterproductive to the main goals of the NVES and the AADA would urge consideration of the impacts of putting principles such as maximizing reductions over long term impactful and sustainable reductions.

2. Do you support the use of the avoid-shift-improve framework as a tool to identify opportunities for abatement?

The AADA has no comment.

7. Do you agree with the proposed net zero pathway for light road vehicles?

Yes.

7.1. Please add details to your response.

New car Dealers are committed to supporting Australia's journey to a cleaner future and support the proposed pathway towards lower and zero emissions for light road vehicles. Franchised new car Dealers will play an important role in selling, servicing, and repairing ZLEVs, and offering a range of ancillary services such as charging and community education.

The AADA considers that a critical piece of the puzzle in this pathway are the two short term goals identified in the Discussion paper of *'EVs become more affordable and accessible to all Australians and ensuring investments in charging infrastructure keep up with projected EV uptake'.*

EVS BECOME MORE AFFORDABLE AND ACCESSIBLE TO ALL AUSTRALIANS

It is important that when considering measures to reduce light vehicle emissions, demand side measures are also included. In early 2024, AADA conducted a survey to gather insights into the beliefs and perspectives on EVs and hybrid vehicles among Australian vehicle drivers[2]. Results indicate that around 69% believe the government should provide more incentives for customers to transition to EVs. There was, however, a notable decline in purchase price as a barrier to buying an EV compared to the same survey results from 2022, which may be attributed to the significant influx of cheaper EVs into the Australian market.

Example: BYD ATTO 3 EV 2024 original retail price: $44,499 inc. GST

STATE	STAMP DUTY	REGISTRATION	CTP + PLATE FEE	REBATE	FINAL PRICE
QLD	$890	$731.85		$6000	$40,120.85
WA	$2523.05	$1041.70		$3500	$44,463.00
NT	$0	$0	$643.30	-	$45,145.30
ACT	$0	$0	$666.20	-	$45,165.20
SA	$1720	$688.26		-	$46,907.26
TAS	$1780	$630.62		-	$46,909.62
NSW	$1335	$1101.57		-	$46,935.57
VIC	$1873	$817.70		-	$47,189.90

EV prices, fees and taxes sourced on 02/07/2024 from the BYD website: https://bydautomotive.com.au/atto-3

Nevertheless, there are still many other limitations to EV adoption, including high insurance premiums, a shortage of skilled mechanics, and limited charging infrastructure, that deter Australians from buying EVs. It is thus crucial to introduce complementary measures incentivising consumers to buy more fuel-efficient vehicles.

These include:

- **Exempt PHEVs from FBT beyond 2025:** PHEVs are due to be excluded from the EV FBT exemptions in April 2025. This is completely nonsensical given the crucial role they will play in reducing light vehicle emissions in the short to medium term, particularly in the light commercial segment.

Hybrids are going to play a key role as a gateway for some consumers between ICE vehicles and EVs, and while Australia is in the early stages of its transition to ZLEVs, removing incentives for PHEVs is detrimental. As a matter of urgency, the decision to exclude them from this concession should be reversed.

- **Provide Federal incentives:** The AADA would make a case for implementing some form of federal incentive to encourage a more even uptake of fuel-efficient cars across Australia. As displayed in the table above, different states have different measures in place to incentivise EV uptake. These range from EV stamp duty exemptions in the ACT and NT to a $6,000 rebate from the Queensland Government on EVs.

The vast differences in these incentives result in vehicle cost disparities (up to $7,000 in the case of the BYD ATTO 3 EV) for the same model, leading to sporadic adoption of EVs across different states. Thus, if the government's imperative is to support the nationwide implementation of NVES and accelerated uptake of EVs, the introduction of some form of federal incentive to ensure uniformity and equal access will be key.

- **Provide EV incentives to low-to-middle income earners:** Low-to-middle income earners need to be incentivised to buy EVs at higher price points than the ICE alternative they may be considering. Not only are EVs priced higher than other vehicles but there are associated costs, including insurance, repair, and depreciation costs which will further shrink disposable incomes, making EVs an unfavourable option for low-income earners. Several state governments have provided subsidies, but these have often ended up being taken up by motorists living in inner-city wealthy areas who are able to purchase these more expensive vehicles. Furthermore, these are being gradually withdrawn by most states. The correlation between incentives and EV uptake is undeniable in other markets which have seen high rates of EV take up. As such, the AADA would urge the Government to consider the implementation of a national purchase incentive targeted to those who are least able to afford the still significant price difference between EVs and ICE cars.
- **Abolish LCT and Passenger Vehicle Tariff:** In a time when the Government will be asking consumers to consider purchasing vehicles with a higher upfront cost, we can no longer be operating in an environment which maintains archaic taxes which were developed for a time when Australia still manufactured passenger cars. Both the luxury car tax and the passenger vehicle tariff have been largely discredited and they serve now only as a bargaining chip in trade negotiations. The Government should abolish both taxes as a matter of urgency and empower consumers to buy cleaner new cars.

INVESTMENTS IN CHARGING INFRASTRUCTURE KEEP UP WITH PROJECTED EV UPTAKE

According to new car sales figures, EV sales increased from 3.1% in 2022 to 7.2% in 2023 and are continuing to grow despite a slower growth rate in recent times. More EVs mean more charging infrastructure is needed, including community charging. The AADA-commissioned report prepared by Energetics found the estimated investment in charging infrastructure to exceed A$1 billion for franchised new car Dealers in Australia[3].

Dealers need to invest in charging infrastructure to provide ongoing support to potential and existing consumers of battery-powered vehicles by having chargers readily available at their premises for demonstration purposes, servicing and repair functions, as well as routine charging.

They will also need to respond to Original Equipment Manufacturers (OEMs) which, in line with international markets, are introducing new infrastructure requirements for dealerships to support the sale of EVs locally.

Recently, the AADA explored the investment OEMs are requiring from Dealers regarding EV infrastructure through a series of questions posed to Dealer Councils. Results show an overwhelming majority of Dealers (79%) being asked to install charging infrastructure without any OEM support for associated costs. This substantiates Dealer concerns about the significant investment and additional grid upgrades required due to increased electrical burden, dampening franchised dealer sentiment around EV sales.

The AADA welcomes the recent announcement of $60 million to support the installation of EV chargers in automotive dealerships across the country however, with the size of the investment required it will still be a monumental task.

The AADA is concerned with extending this charging funding program to other automotive businesses and calls for this program to strictly be made available to automotive Dealers. The majority of sales, repairs and servicing of EVs is currently undertaken by franchised new car Dealers and Dealers are going to play a key role in educating consumers on EVs and the charging experience when they are in the showroom.

Franchised new car Dealers also have significant requirements placed on them by their OEMs in franchising agreements, in relation to the installation of charging infrastructure. The extension of this scheme could see businesses that have no exposure to EV repair or servicing functions receive funding and result in the scheme funding being used inefficiently. The AADA also considers that the intention of the scheme when announced by Ministers Bowen and King was that this was a commitment to fund $60 million towards charging facilities in automotive Dealer businesses.

Charging infrastructure in dealerships is just one piece of the puzzle and to ensure that consumers have confidence in new technologies such as EVs and PHEVs, widespread and readily accessible charging infrastructure will be needed. Convenient access to charging infrastructure alleviates range anxiety which is a significant barrier to uptake and ultimately a robust charging network will enhance the feasibility of EV ownership.

TECHNOLOGY NEUTRAL APPROACH

While EVs are the first thing that comes to mind when assessing options to reduce transport emissions in the light passenger category, it is important that a technology-neutral approach is taken that utilises all available technologies. There is no doubt that EVs are going to be a huge part of the drive to transition to climate smart transport, but it is important to diversify to different renewable sources including synthetic fuels, hydrogen, biodiesel, and other emerging fuels, to power our vehicles.

Solely depending on battery-powered engines to meet our climate targets can overload our electricity grids, resulting in widespread outages and disrupt the operations of other economic activities that rely on continuous power supply for their daily functions.

8. The Australian Government is currently developing an Australian New Vehicle Efficiency Standard and has already begun to implement actions in the National Electric Vehicle Strategy.

8.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce light vehicle emissions?

As described above the AADA is supportive of the NVES and its goals to reduce transport emissions through increased supply of ZLEVs. However, there are key factors in the design of the NVES that could seriously undermine these efforts and must be addressed urgently.

POINT OF COMPLIANCE

The AADA has concerns with the point at which compliance with the NVES will be expected to be met. Currently, NVES would apply to all vehicles imported and registered for approval at the port, which could have a significant negative impact on Australia's new car dealers.

Under the current franchise model most Australian manufacturers and dealers operate under, the manufacturer will import vehicles which are then wholesaled to Australian dealers to be sold to consumers.

If the NVES is implemented as described above where the manufacturer can meet its compliance obligation by importing the mix of vehicles it determines to be appropriate to meet its obligations, Dealers could find themselves in an unfavourable position.

For example, a car maker could export EVs in excess to Australia to offset emissions from its less fuel-efficient vehicles and avoid having to go over their fleet carbon limits.

This could result in a situation where Dealers find themselves with excess product (particularly slower moving stock such as EVs) on their showroom floor. Franchised new car dealers have arrangements with financiers to fund vehicle inventories, commonly referred to as 'floorplan' financing. Floorplan or vehicle bailment is a flexible form of asset financing which has been in widespread use in the industry for over 70 years. It is fundamental to the prevailing retail dealer business model and is a key factor in delivering an efficient operating cost structure to successful franchised dealerships.

If the point of compliance continues to be at the point of import, Dealers become vulnerable to holding stagnant stock that they are unable to turnover. Dealers heavily invest in their businesses and, therefore, rely on ongoing franchise agreements with OEMs. This form of dependency results in a lopsided relationship that can be exploited to the Dealers' disadvantage.

It is therefore important that NVES is implemented in a way that incentivises manufacturers to produce more fuel-efficient vehicles which Australian consumers will purchase, instead of selling an unfavourable vehicle mix to Dealers just to comply with the emission targets.

The AADA believes it is essential that the point of compliance should be at the point of sale in order to avoid these unintended consequences.

EXEMPTION POST IMPORTATION

Another concern for Dealers is the sale of exempt vehicles. As described above, the point of compliance with NVES for imported vehicles in Australia is at the port where they are registered, rather than at the point of sale. This makes carbon registry and reporting difficult when accounting for exempt vehicles such as emergency vehicles.

The sale of vehicles to emergency services or other uses that are deemed exempt can often happen at the retail level. For example, an emergency services branch may enter into an agreement with a franchised new car Dealer to purchase a set number of vehicles for an exempt purpose. As a consequence of the proposed NVES design, where a vehicle is imported it is automatically counted towards the OEM's carbon register, and would then be up to the Dealer (who has no obligations under the NVES legislation) and OEM to reconcile these exempt vehicles.

GREY IMPORTS

The AADA also draws attention to the Specialist and Enthusiast Vehicle Scheme (SEVs) import market and the potential implications on emissions reductions in the transport sector. Currently, vehicles imported under the SEV scheme are not subject to the CO2 targets of the NVES. If an uncapped rate of vehicles were to enter the Australian market, this scheme could be used as a back door to bring in a high-volume of used car imports that do not meet the NVES.

This would be counterproductive to the purpose of the implementation of NVES and diminish the effectiveness of the NVES to reduce transport emissions from light vehicles. Also, if a large number of EVs are imported under the scheme it could have a number of adverse outcomes for consumers including undermining confidence in EVs among the Australian public, making Australia a dumping ground for old lithium-ion batteries.

8.2. How would these actions address the identified challenges and opportunities to reduce light vehicle emissions?

The actions detailed above such as demand side incentives and measures will go some way towards addressing the challenges identified in the paper such as, Australians' preference towards heavy passenger vehicles like SUVs and utes, the higher upfront cost of EVs compared to equivalent ICE vehicles and the need for EV uptake to be matched by increased availability and reliability of charging.

But there are also a significant number of economic opportunities for Australia as a result of this transition and wider uptake of battery electric vehicles. Australia's supply of critical minerals used in battery production and local innovation and research capabilities provide significant advantages in the development of battery manufacturing. Australia must capitalise on this issue and place itself at the forefront of EV growth and position itself as a key player in the global EV supply chain.

It is also critical that where possible, vehicle batteries are repurposed and recycled at the end of useful life. As noted in the Discussion Paper, 'supporting a circular economy will be important to help mitigate the environmental impacts of EV production and EV waste, and reduce the strain on battery supply chains'.

The AADA considers that recycling EV batteries within Australia should be underpinned by circular economy principles which contribute to the recovery of resources and remanufacturing for use in new products. Domestic recycling programs will also avoid the production of transport emissions which will occur if the batteries are shipped offshore for recycling.

A way to minimise the environmental impacts of battery waste would be the establishment of a battery passport. EV batteries should be provided with a serial number and be easily identifiable. These batteries should also only be processed in an end-of-life vehicle (ELV) system and therefore accounted for to ensure that stockpiling, dumping or inappropriate use does not occur.

An ELV project is currently underway to investigate the prospect of establishing a National Product stewardship plan for ELVs, and EV batteries should be included in the ELV plan.

Along with ensuring that technicians working on EVs, including removing or installing batteries, storing, and or recycling EV batteries are operating in a safe working environment and that they are adequately trained. EV owners will want to be reassured that the battery in their end of life or repaired vehicle will be recycled, not dumped.

This will also help to ensure that circular economy principles, particularly elimination of waste and pollution, and circulation of materials are incorporated into the life cycles of EV batteries.

26. What measures and metrics should be used to evaluate the final Transport and Infrastructure Net Zero Roadmap and Action Plan?

The AADA agrees with the proposed evaluation points in the Discussion Paper to measure success**.**

26.1. What other data and evidence could governments use and how could this offer further insights on the pace, scale and location of transport emissions reduction pathways?

The AADA considers that in depth tracking of overall transport emissions and take up of ZLEVs through the NVES will be key to ensuring it is being used as an abatement measure and not a revenue raising measure.

Australians prefer SUVs and utes over smaller cars due to their utility. However, currently there aren't enough comparable EV options available in the SUV and ute segments. As of June 2024 YTD, the top five car models sold in Australia were all SUVs and utes, with the Ford Ranger leading at over 33,000 sales, followed closely by the Toyota Hilux and Toyota RAV4, each exceeding 25,000 sales, further reinforcing buyer preferences.

If we are to make meaningful emission reductions in the transport sector, which the AADA acknowledges is needed, it is important to do it in a measured and sensible way to avoid unintended consequences.

If Australians don't continue to have access to the vehicles that provide the utility they desire for the right price point, they will just hold onto their current vehicles for longer, which is already at the longer end of vehicle ownership compared to other countries. With cost-of-living pressures increasing, there are real risks that if manufacturers import a particular mix of vehicles to meet their carbon limit obligations, but they are not appropriately priced, or suitable for the way consumers utilise their vehicles, consumers will just opt to not purchase them.

27. Do you have any feedback on the proposed review process?

The AADA has no comment.

CONCLUSION

We would be happy to meet with you to discuss our submission and participate in any further consultation. If you require further information or clarification in respect of any matters raised, please do not hesitate to contact me.

James Voortman
Chief Executive Officer
[redacted]

REFERENCES

1. S&P Global, Does the auto industry have an EV loyalty problem?, 12 October 2023.
2. AADA EV & Hybrid Vehicle Wave 2 Insights Report, January 2024.
3. Energetics and AADA, Electric Vehicle Charging Infrastructure Guidance Report, 10 April 2024.

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