



The Secretary
Economy and Infrastructure Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Online: electricvehicles@parliament.vic.gov.au

20 October 2017

Re: Inquiry into Electric Vehicles

The Northern Alliance for Greenhouse Action (NAGA) welcomes the opportunity to respond to the Victorian Parliamentary Inquiry into Electric Vehicles (EVs).

NAGA is a network of nine northern Melbourne metropolitan councils working to achieve significant emissions abatement and energy cost savings by delivering effective programs and leveraging local government, community and business action. Our council members include the cities of Banyule, Darebin, Hume, Manningham, Whittlesea, Yarra, Melbourne, Moreland, Moreland Energy Foundation Limited, and Nillumbik Shire Council. NAGA formed in 2002 to share information, coordinate emission reduction activities and cooperate on research and develop innovative projects. NAGA is part of a broader network of greenhouse alliances operating across Victoria.

Many of our member councils are working to support the uptake of electric vehicles such as through adoption of electric vehicles, hybrids and plug in hybrids in council fleets, and seeking to support communities in adopting electric vehicles by installing publicly available charging infrastructure.

EVs are a key solution in decarbonising passenger transport when combined with renewable energy investment: in the past two years, new EVs have entered the domestic market at price points that suggest they are ready to move beyond a niche product. Supporting EVs can unlock innovation and create new advanced industries that spur job growth and enhance economic prosperity.

However, of the 4.7 million vehicles in Victoria, only 0.05% are electric as of February 2017. In order to drive a mass uptake of EVs, state government policy incentives and infrastructure investments are required to accelerate this transition in the short term.

Around the world cities and regions are seeking to become EV ready and are already well ahead of Victoria and Australia. Similarly, Fuel Cell Vehicles offer a zero-emission solution for heavy vehicles such as buses and waste vehicles that currently run on diesel. Hydrogen has the distinct advantage in its capacity to be generated (with solar), stored, and used for



refuelling on the same site. The Western Australian Government ran a very successful trial from 2004- 2007 testing three hydrogen fuel cell buses in the City of Perth. The three EcoBuses performed well beyond expectations and saved 300 tonnes of tailpipe carbon emissions by not operating conventional diesel buses¹. However, the main barrier at the time was the cost of the technology. The Clean Energy Finance Corporation (CEFC) has signalled its strong interest in supporting governments to finance FCVs in their fleets, acknowledging the technology is highly versatile, transportable and flexible and economic in Australia right now².

Local governments have collectively worked to demonstrate leadership in supporting EV infrastructure over the past five years. The City of Melbourne was the first council in Australia to introduce EVs into its fleet and the municipality includes public recharging stations. The City of Moreland with Victorian Government support was the first in Victoria to install a fast charger as part of the electric vehicle trial and continues to have the largest number of public charging stations owned and operated by a Council. Councils within the Goulburn Broken Greenhouse Alliance (GBGA) and the Northern Alliance for Greenhouse Action (NAGA) are currently undertaking low emissions fleet assessments.

Electric vehicles suffer from a demand-infrastructure conundrum as there is little incentive for people to buy EVs until there is appropriate supportive infrastructure. Those that may be willing to invest in the infrastructure will hold back until there are enough vehicles on the road to support the investment.

Although the State Government has supported local governments and the EV industry through the Electric Vehicle Trial from 2012-2014, we recommend the Government reinvigorate its policy support. Industry analysis suggests that in other jurisdictions where EV uptake is strong, such as Copenhagen and California, success has been underpinned by legislation and government incentives to reduce emissions.

NAGA also recognises that EVs are only a sustainable solution to climate change if our energy mix is also rapidly decarbonised by increasing our supply of renewable energy. FCVs by contrast can be fuelled onsite directly from solar technology.

To this end, we recommend the Victorian Government pursue the following policy incentives as part of its climate change policies:

Market based policy levers:

- 50% registration and stamp duty discounts for EVs and/or designated low emissions vehicles for the next five years. After this time, it can be ratcheted back based on uptake of EVs. Some countries in the EU provide a sliding scale rebate or fee (feebates) that incentivise or penalise vehicle choices on the basis of emissions
- Tax credits to offset the cost of installing charging equipment

¹ <http://www.transport.wa.gov.au/projects/ecobus.asp>

² <http://reneweconomy.com.au/2015/cefc-says-solar-to-hydrogen-fuel-cheaper-than-petrol-inregions-71795>



- Discounted or zero state sales tax on EVs and charging equipment, including residential solar used for charging EVs.
- Free to use charging stations at public facilities.
- Advocate for the discount or removal of the Fringe Benefits Tax (FBT) applied to vehicles where EV's are provided by businesses or local governments with limited private use requirements.

Non market based policy levers:

- Develop a state EV target for Victoria
- Work with local governments and other stakeholders to develop an associated Zero Emissions Vehicle strategy, including removing planning restrictions and providing incentives for enabling EV charging equipment to be installed and support for development of FCVs
- Increase EV numbers in government fleets and provide subsidies for private fleet EV ownership. One of the greatest barriers to EV uptake is familiarity, so workplaces are a sensible place to grow the industry. Also fleet vehicles also help to develop a second hand car industry for electric vehicles.
- Mandate a state government fleet policy to limit all new passenger, commercial, executive and salary packaging vehicles to a combined emissions target of 100g CO₂ per km.
- Phase out of new government fleet internal combustion engine (ICE) purchases by 2025. Work with other states for a national 2030 ICE phase out target (No new non-hybrid ICE sales from the year 2030).
- Work to develop a bulk buy program to assist bringing in EVs that are currently not imported to Australia due to lack of demand
- Provide information on electric vehicles and recharging infrastructure to increase awareness and acceptance.
- Investigate opportunities for trialling zero emissions FCVs prototypes for heavy vehicles such as waste trucks and Public Transport Victoria buses. We commend the Victorian Government for funding the Moreland City Council to develop and trial a prototype FCV waste vehicle through the New Energy Jobs fund. Many councils are ready to adopt this technology if it proves successful and we see a key role in this technology for public transport.
- Initiate a state-wide study to identify strategic locations for destination charging stations with fast charge capabilities with particular emphasis on regional centres and main transport corridors throughout the state.



- Set targets and develop a strategy for a complete EV DC charging network.
- Consider the capacity for recently closed vehicle assembly plants to be re-invigorated and re-invented as entrepreneurial based venture sites for EV/ LEV assembly, componentry, start-ups, sales, testing, training and research.

Thank you for the opportunity to comment on this inquiry. We would be happy to discuss further any other points in our submission.

Further inquiries regarding this submission can be directed to David Meiklejohn, Executive Officer by email at david@naga.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Meiklejohn', followed by a long horizontal line extending to the right.

David Meiklejohn
Executive Officer