

11 October 2021

Project delivery team

Zero Emissions Vehicles – Expert Advisory Panel

By email: [ZEVexpertpanel@transport.vic.gov.au](mailto:ZEVexpertpanel@transport.vic.gov.au)



Dear Zero Emissions Vehicles Expert Advisory Panel,

### **Feedback on the Zero Emissions Vehicles consultation**

The Goulburn Murray Climate Alliance (GMCA) is pleased to submit this response to the Panel's request for submissions on how a 50% sales target of new light zero emissions vehicles for 2030 could be realised in Victoria.

The GMCA is a member-based alliance comprising 13 local governments, two catchment management authorities and DELWP Hume. The region encompasses more than 14 million hectares of one of Australia's most prolific food producing regions, being the Goulburn Valley, internationally significant Ramsar wetlands in the Murray-Darling Basin, and the tourist hubs of our Alpine resorts in the eastern mountain ranges. In recent years our Members and their communities have been deeply impacted by drought, bushfires and the COVID pandemic, so are committed to the business case of addressing climate change with collective action that delivers on climate risks, unites and builds upon associated climate action, and brings new opportunities to the Goulburn and Upper Murray regions.

The GMCA has completed and participated in a number of business cases on the transition of regional Victoria to electric vehicles. The most significant of these has been the 2020 Charging the Regions project led by the Central Victorian Greenhouse Alliance, and was a partnership of 55 councils, the Victorian Government and the EV Council. This project built participating local government's understanding of their role in rolling out EV infrastructure, and has also seen the implementation of over 22 EV fast-charging locations across regional Victoria. GMCA is working with our Member councils to fill further EV charging infrastructure gaps in north-east Victoria, particularly in our tourist-rich Alpine regions.

The GMCA offers the following advice to the Expert Advisory Panel based on our collective experiences undertaking these projects:

#### **1. Incentives to reduce upfront costs of a greater diversity of ZEVs, including targeting of fleet purchasers**

The upfront cost of ZEVs is unaffordable for most people, and the decline in unit costs at this stage will not be rapid enough to enable the Victorian Government's 50% ZEVs by 2030 target. In regional Victoria where many are two vehicle households, often to a larger capacity, diesel fuelled, with a higher occasion to travel longer distances, and where residents have less access to public transport options than their metropolitan counterparts, the financial barriers are viewed as insurmountable. The GMCA recognises Australia's limited choice in affordable ZEVs is due to Australia's restrictive policy framework which discourages the investment and development of EV markets in Australia.

The GMCA welcomed the Victorian Government's \$3000 rebate for four thousand vehicles, but recognises that this largely attracts the wealthier, early adopters of EV technology.

To see incentives assisting uptake of ZEVs in the regions that will assist Victoria to reach 50% of EVs by 2030 the following incentives are recommended;

- Deferral of purchase/import taxes (as per NSW and ACT government stamp duty waivers);
- Lowering of road taxes;
- Lowering of toll fees;
- Introduction of disincentives for high emission vehicles (ie similar to the ‘feebates’ of New Zealand and other countries);
- Incentives encouraging the purchase of second-hand ZEVs (ie waivers for stamp duty, and registration rebates for a set period etc);
- Linking the ZEV transition and emission reduction to rebates and exchanges for e-bikes, e-bike infrastructure, and e-bike conversions. E-bikes have been noted in a number of forums as a crucial sustainable transport policy lever, but because e-bike costs are higher, their uptake has been similarly low to that of ZEVs. However e-bikes have been demonstrated as a preferred vehicle replacement for short trips as they help overcome parking frustrations, carbon emissions, traffic congestion and the physical barriers some experience on conventional bikes. Additionally in regional tourist areas, incentivising e-bikes and their charging infrastructure would be a significant boost to the local tourist sector, with industry operators able to hire units, undertake far lighter tourism footprint than that using vehicle-based tourism, and a broader range of visitors able to utilise them than they could conventional bikes.

## 2. Introduce regulatory tools, such as fuel efficiency standards for internal combustion engine vehicles and emission standards

Fuel efficiency and emissions standards that lower emissions per kilometre, as well as drive uptake of ZEVs, are crucial to getting to 50% ZEVs by 2030. As emissions standards are principally a federal government responsibility, the Victorian Government should advocate for these to be introduced. Australia is a global laggard when it comes to adopting and regulating emissions standards for vehicles and are in fact the only OECD country with no minimum fuel standard. As a result Australia is fast becoming the dumping ground of the world’s high-emission vehicles due to this poor government policy.

## 3. Phase-out date for new registration of internal combustion engine vehicles

According to January 2021 ABS data<sup>1</sup>, Victoria has 850,000+ passenger vehicles registered as made in 2005 or before. This equates to nearly 71% of Victoria’s total vehicles, illustrating that since new internal combustion engine (ICE) vehicles are still being sold today, in eight years’ time, and 28 years’ time, there will still be well over 50% of ICE vehicles operating in Victoria.

With special exemptions for some vehicles, new registrations for ICE vehicles should be phased out no later than 2030. Additionally, a vehicle scrap deposit scheme should be introduced that incentivises drivers to register their older and potentially not-so-old vehicles for scrapping, recycling, or potential remodelling to ZEVs.

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<sup>1</sup> <https://www.abs.gov.au/statistics/industry/tourism-and-transport/motor-vehicle-census-australia/latest-release#average-age>

#### 4. Industry specific incentives and regulatory tools for commercial, freight and heavy vehicles, and R&D

Considerable aspects of council fleets involve heavy vehicles such as waste and tipper trucks. A number of councils have trialled electric models of these vehicles, but for many councils, particularly those operating in regional Victoria, accessing EV heavy vehicle technology is cost prohibitive. Manufacturers require signals from governments before they will invest in the development of ZEV heavy vehicles, particularly where specially fitted out, made-to-order vehicles in the public transport and waste sector are involved.

Grant funding for research and technology development, heavy vehicle emissions reduction targets, and ZEV end-user financial subsidies are required to ensure heavy vehicle markets increase. It should be noted that heavy vehicles will likely involve a mix of zero emission technologies including battery electric, and hydrogen fuel cell electric.

The Victorian Government should strengthen its targets for its own heavy vehicle fleet ZEVs which under the Zero Emissions Vehicle Roadmap it has committed all new purchases of buses to be electric by 2025 which is welcomed. However, recently the Victorian Government announced a new bus contract for 36 electric buses by 2025, and a further 341 electric buses by 2031. This amounts to 14% of Victoria's total bus fleet by 2030. Given the enormous opportunity for ZEV public transport to accelerate avoided emissions, it is advised that this target is not ambitious enough, and a stronger commitment is required. Electric bus transport provides excellent opportunities for the public to positively experience heavy fleet ZEVs in action that they cannot otherwise have, and it is recommended that the Victorian Government roll out electric bus transport in specific areas of regional Victoria, particularly where large numbers of tourists visit, ie Victoria's Alpine regions, the Murray River regions, as well as centres supporting major sporting venues such as Nagambie Lakes Regatta Centre.

#### 5. Target fleet purchasers, and organisations with high quantities of vehicle leases

One of the barriers for local governments is overcoming knowledge gaps across the sector in the latest information on EVs. For example, in a survey conducted by the Electric Vehicle Council, 79% of people surveyed believed that the range of EVs was much less than the average of 400kms. This is also reflected in our experience where regional and rural councils consider that EVs won't suit driving conditions in regional Victoria. This is despite most council vehicles being used for less than 150km per day, according to a regional fleet feasibility study by our Alliance in 2017.

Targeting local and state, and commercial fleets for EV uptake should be a number one priority in the ZEV transition. Through this a second-hand car market is created for the general public thereby reducing the costs of ZEVs over time. Some options to increase uptake of EVs in fleets could be:

- Support local government buyers groups like the recent Victorian Energy Collaboration (VECO) project, or enable councils to join in on state government purchasing contracts for bulk EVs, similar to electricity accounts.
- Encourage and normalise 100% corporate and government EV fleet targets by 2030.
- Incentivise EV uptake in fleets by offering tax credits, rebates or other financial incentives ratcheting back over time
- Support greenhouse alliances and other groups to build the capacity and ambition of local governments in their region over time through funding a dedicated regional EV transition resource or funding regional fleet assessments. This resource could assist fleet managers across each of the alliances regions to undertake fleet feasibility assessments and business cases, develop EV purchasing policies, examine fleet charging requirements and assist other areas of council promote EV uptake in the broader community.

## 6. Support for the transition of the wider automotive industry

The transition to ZEVs needs to consider the capacity of the automotive industry to adapt now. In regional Victoria there are very few mechanics capable of servicing ZEVs. Even companies such as Hyundai require servicing of their electric vehicles from Melbourne dealerships. This is a barrier for regional drivers who may weigh up the ease of servicing locally in their decision to purchase a ZEV. This is particularly the case for regional council fleets who are currently dissuaded from buying an electric car due to lack of servicing options. Greater focus also needs to be on training in TAFEs for the transition that is coming. A positive example of the kind of training happening in an adjacent region is the [Bendigo Girls in STEAM electric car project](#).

In addition, support should be given to companies and organisations seeking to convert existing petrol and diesel vehicles into zero emissions vehicles. Considering the broader impacts of the circular economy and the waste generated from a rapid transition to ZEVs, retrofitting existing vehicles is an opportunity to reduce waste and create new employment pathways for existing industry.

## 7. Continue with fast-charging EV infrastructure around regional Victoria to ensure driver confidence and commercial uptake

Our Charging the Regions project has been invaluable for not only addressing range anxiety but communicating the benefits of EVs to the broader public through videos, media coverage, and the many one-on-one discussions that have been had when bystanders see an EV charging.

It is encouraging that the Victorian Government is investing in additional public charging infrastructure across the remaining regional EV charging gaps of Victoria. Councils are also proceeding to install public charging infrastructure at their own cost, using the resources from the charging the regions project<sup>2</sup> to help identify sites and a greater understanding of their role and responsibilities in this space.

In our regional areas where for example in our Alpine resorts, up to one million tourists drive each year, there is a need for ZEV charging infrastructure installation to be incentivised at hotels, bed and breakfasts and other tourist stops.

Whilst range-anxiety is well-known, another impact to the purchase of ZEVs in regional and rural areas is the electricity grid unreliability. This is added to the fear of an inability to charge a ZEV during an emergency if the grid is down, particularly to those living in bushfire-prone areas. Attention to further developing emergency charging infrastructure and mobile service technology to charge EVs at such times will be crucial to ZEV take up in the regions as climate impacts increase over the next five to ten years.

Over time we expect that the private sector will have a greater incentive for provision of charging infrastructure in regional areas, but in the early stages when there are few cars on the road there has been an important role for governments to step in and provide that backbone infrastructure. Although the coverage of fast chargers is being resolved, over time the density of chargers will become an issue as more and more EVs are registered on the road. Rather than wait for bottlenecks to occur it's important that incentives continue to grow the density of DC and AC fast charging options across the state over the next 5 years.

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<sup>2</sup> <http://www.gbga.com.au/charging-the-regions-study.html>

## 8. Pause the Victorian low and zero emissions vehicle road user charge

The introduction of the low and zero emissions vehicle road user charge in Victoria was a policy intervention at odds with other Victorian Government objectives and likely to have resulted in significant slow down in the uptake of EVs in Victoria. The tax was in our view introduced too soon, was done without any consultation, and not done in a way that balances costs proportionately over other vehicles. The tax also disproportionately impacts regional EV drivers, like those of many councils considering shifting to EVs in regional and rural councils.

For example the additional charges of the low and ZEV road user charge means in many cases the operating cost of a ZEV becomes higher than that of a non-ZEV such as a hybrid vehicle, particularly where owners and lessee's are investing in renewables to charge ZEVs. Aspects of the tax requirements also act as a significant disincentive to purchase or lease a ZEV, particularly for those considering large-scale fleet integrations with the requirement to lodge photographic proof of odometer readings with Vicroads every year.

There is opportunity for state and local governments to partner on the ZEV transition. Many councils are exploring and setting targets for electric and hydrogen fuel cell vehicles across passenger and heavy vehicles, some as early as 2030 for full ZEV transitions. Some options are identified in the Zero Emissions Vehicle Roadmap; "working collaboratively with Victorian Greenhouse Alliances, which have the potential to play an increasingly important role as a coordinating point for council action and, in partnership with industry and other levels of government, as a locus for community education, guidance and information-sharing about best practice in relation to ZEVs, including how to support ZEV uptake and use through the provision of public charging infrastructure and transition-planning".

We welcome the opportunity to explore partnership options to accelerate action across local government. If you have any questions or queries relating to this submission, please contact Carole Hammond, Executive Officer, on [eo@gbga.com.au](mailto:eo@gbga.com.au) or 0411 544 858.

Regards,



Carole Hammond  
Executive Officer  
**Goulburn Murray Climate Alliance**  
0411 544 858 [eo@gbga.com.au](mailto:eo@gbga.com.au)  
[www.gbga.com.au](http://www.gbga.com.au)

*This submission has been approved through GMCA's formal governance structure however this submission may not necessarily represent the individual view of each member council and agency.*