

7 November 2018

Senate Committee Member
Senate Select Committee on Electric Vehicles

Committee Secretariat
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: electricvehicles.sen@aph.gov.au

cc: senator.storer@aph.gov.au

Response to comments made by Tony Webber Chief Executive Federal Chamber of Automotive Industries

Dear Senator,

I am writing to you in your capacity as a member of the Senate Select Committee on Electric Vehicles. I represent Nichibo Australia which is a wholly-owned subsidiary of Optimus Group based in Tokyo Japan. Optimus participates in the mobility industry through vehicle trading, logistics and inspection services in a number of countries. Nichibo Australia is passionate about vehicles and is keen to see Australia take a more active role in respect of Environmental Vehicles (EVs)– or vehicles with an environmental performance significantly superior to mainstream models.

You may be aware we have made a submission to your Committee arguing that there is a significant problem in the liquidity of the domestic second-hand EV market. We suggested that to deal with this problem your Committee consider requesting the Federal Government to permit the independent importation of second-hand EVs into Australia. We observed that Australia is a rich, isolated and small market and until competitive pressures are increased, car manufacturers will always offer the Australian consumer a limited model range at a premium price, restricting consumer take-up of EVs as a consequence.

I note that that during the public hearings of your Committee on Thursday 18 October 2018 the CEO of the Federal Chamber of Automotive Industries (FCAI) presented the familiar arguments to you that the selective importation of second-hand EVs into Australia is a bad idea. He suggested that such a policy would expose the consumer to risk, since there would be no domestic entity upon which Australian Consumer Law could impose product protection, such as warranties, recalls, parts and servicing. He argued that while this risk is acceptable in terms of the limited segment of independent imports that exist in Specialist and Enthusiast Vehicle (SEV) system, it is not acceptable to the broader consumer.

Nichibo Australia accepts the validity of these comments by the CEO of the FCAI. We understand that the issue of consumer protection has long been the risk in the so-called grey import sector and needs to be dealt with.

Nichibo Australia therefore proposes that the Federal Government grant permission to Australian entities to import a class of second-hand EVs into Australia. Such a concession, however, should only be granted as long as the entity provides a business model that credibly meets all requirements under Australian Consumer Law (ACL). This means that there must be a legal entity upon which the obligations of ACL may reside, and the applicant is able to provide evidence that it has the financial resources to meet these obligations – such as providing for suitable warranty, and parts access. The entity seeking this concession must also be able to ensure that its vehicle stock is of suitable quality (including odometer verification) and not subject to recalls before being imported into Australia.

We emphasise that such a scheme should be open and contestable; namely any business or organisation would be able to access this concession provided these requirements are met.

This is a proposal that would allow a strictly limited number of EVs (including electric and hybrid vehicles) into the Australian market with full consumer protections. It would raise the profile of this revolutionary class of vehicle and deepen Australia's shallow second-hand EV market. It would make these vehicles more affordable and so help the cautious Australian consumer take them up more enthusiastically. It would also add competitive pressure on the car manufacturers and encourage them to offer a broader range of new EVs at a more affordable price than is currently the case. Our proposal would also be a useful 'green car' initiative for the Federal Government to reduce fleet emissions.

We commend this proposal to you as your Committee considers the way the best way forward. In doing so, we encourage your Committee to look not just at the problems raised by the FCAI, but at the solutions. Should the Committee, in its recommendations, call upon the Federal Government to permit the targeted independent importation of second-hand EV's, with appropriate consumer protections along the lines we have proposed, then your Committee will have considerably assisted in promoting the transformation of Australia's vehicle fleet to a clean, green and sustainable future.

Nichibo Australia thanks you for considering this suggestion. I would welcome your views. Please also feel free to contact me at any time as per the details below.

Regards,

Don Rossell

Director - Nichibo Australia Pty Ltd

Attachment A: Submission by Nichibo Australia to the Senate Select Committee on Electric Vehicles