

Executive Summary

Electric vehicles (EVs) are at the forefront of a major transformation of the world's transport sector. Global EV sales are growing rapidly, driven by government policy in large consumer markets in Europe, Asia and North America. Vehicle manufacturers are leading the transition, investing heavily to expand their EV offerings and improve EV driving range and performance. The technological disruption is also providing opportunities for new business models and companies to emerge.

EV uptake in Australia lags behind that of other comparable countries due to a relative absence of overarching policy direction from Australian Governments. The higher upfront cost of EVs, concerns about driving range, lack of recharging infrastructure, and limited model availability are key factors hindering consumer uptake.

In the Committee's view, widespread use of EVs in the Australian transportation fleet would deliver significant economic, environmental and health benefits to Australian consumers and society. It would also create new opportunities for Australian industry. There would be challenges associated with increasing EV uptake, but they can be managed with well calibrated regulatory settings.

The Committee heard evidence that traditional automotive businesses are already pursuing opportunities in EV component manufacturing and assembly. New industries, such as charging infrastructure manufacturing and installation, battery manufacturing, recycling, repurposing and related mining and processing activities, and EV research and development are also emerging as growth sectors for the Australian economy.

The Committee received a wealth of information and evidence throughout the inquiry and thanks all those who participated. The Committee has made 17 recommendations which aim to help Australia accelerate EV uptake, while also managing the risks, and support Australian industry to capitalise on the significant opportunities presented by a transition to EVs.

Australian Governments should prioritise the development of a national EV strategy and an inter-governmental taskforce to lead its implementation. National EV sales targets could be set to deliver certainty to business and consumers, and careful examination should be given to policies that may be introduced to reduce the upfront cost of EVs and improve their price competitiveness with internal combustion engine vehicles.

The Australian Government should set EV targets for the Australian Government Fleet and work with state and local government to coordinate fleet procurement. It should partner with business to manage and facilitate the roll out of charging infrastructure, establish consistent national standards, and ensure new developments and the electricity grid are 'EV charger ready'. Government could actively assist

industry to develop its domestic EV manufacturing and supply and value-chain capabilities.

In the absence of appropriate regulatory settings, Australia's near term EV uptake is likely to be modest. Slow uptake will continue to result in EV manufacturers not prioritising the Australian market and fewer EV models being available to Australian motorists. It will also delay the realisation of substantial economic, environmental and health benefits, and risk seeing opportunities for economic development pass by.