

Labor Senators' Additional Comments

1.1 The Committee Report has included discussion of the specific tax and expenditure proposals put in submissions but makes no recommendations on them. Some may accuse the Committee of a lack of ambition for not doing so, but, although the Committee advises on these issues in the report, it was not in a position to develop the comprehensive national strategy that is required. That is a task for the national government, engaging with industry and the wider community. This engagement will be fundamental to achieving a just and effective transition to new forms of automotive and other transport propulsion.

1.2 The Committee's report provides a comprehensive account of the evidence presented to it. That evidence demonstrates that the shift in the automotive industry and the broader transport system to new forms of propulsion is part of a global transition in which Australia has a role to play. The shift has the potential not only to reduce greenhouse gas emissions but also to create substantial economic benefits for the nation. There are opportunities for the Australian automotive industry in design, technology, components and systems, and new manufacturing opportunities in the processing of lithium and other mineral resources, batteries and hydrogen. It is a transition that will incorporate electric vehicles, hybrids, and hydrogen fuelled vehicles. It is not just about cars but includes buses, light commercial vehicles, trucks, long distance vehicles and rail. There may, for instance, be early gains in emission reduction and improving city amenity by converting our aging truck fleet to batteries or hydrogen.

1.3 The report recommends that the Commonwealth Government take the lead in developing a strategy for the introduction of electric vehicles. It urges the Government to do what is currently not being done. That is, to take a coordinated, integrated and national approach that will not only begin the transition to electric vehicles but also initiate a manufacturing strategy to realise the industry growth and job opportunities the transition can offer.

1.4 While the report rightly outlines a wide range of actions necessary for the transition there are some basics we have to get right; the safety and technical standards, for the vehicles themselves, buildings and in integrating these new vehicles and supporting charging infrastructure with planning for the grid. We have to ensure public and worker safety and build a skilled workforce.

1.5 It must be a just transition. An approach that merely subsidises the purchases of people who are already well off is unfair. Investment by Government should work to a national interest. Making significant commitments on funding subsidies for EVs without getting the foundations right may make a difference in the take up of EVs but will miss the bigger opportunities to drive smarter, sustainable change and support a just transition in such a change.

1.6 There are manufacturing and value adding opportunities for Australia in this transition. The Government could use own procurement to support it. Research and development will be fundamental. Government must be ready to work with the Australian automotive industry, whose skills and globally recognised expertise could

play a key role in building new growth opportunities. Sensible investment in industry capabilities in this area will build support for the transition.

1.7 System-wide, energy-related transitions are hard work. The strategy for the adoption and greater use of electric vehicles need to account for the driving and purchasing decisions of every day Australian families. There are competing technologies and systems in play, and even Tesla's Elon Musk has acknowledged – in announcing layoffs recently –how difficult it is to get an EV supplied at a mainstream price. There is no law of nature that can achieve price parity between EVs and internal-combustion-engine vehicles. If it is to be done, it will be done as a result of sustained scientific, engineering and technical effort by skilled white-and-blue-collar workers.

1.8 That is the challenge we must meet and overcome – and that is genuine ambition.

Senator Kim Carr
Deputy Chair

Senator David Smith