22 November 2017

The Secretary

Economy and Infrastructure Committee

Parliament House, Spring Street

EAST MELBOURNE VIC 3002

Dear Sir/Madam

**Victorian Legislative Council Inquiry into Electric Vehicles**

1. The Tourism & Transport Forum Australia (TTF) welcomes the opportunity to provide a submission to the Standing Committee on Economy and Infrastructure Inquiry into Electric Vehicles. TTF is a national member-funded forum that advocates for the public policy interests of leading corporations and institutions in the Australian tourism, transport and aviation sectors.
2. The electrification of private vehicles and public transport bus fleets will transform mobility into the future and provide a more environmentally sustainable and more efficient form of transportation.
3. While the purchase of electric vehicles in Australia has stalled in recent times with just 1,369 electric vehicles sold in Australia in 2016[[1]](#footnote-1). Globally, the number of electric vehicles sold each year continues to increase.
4. Between 2016 and 2017 there was a 40 per cent increase in the number of electric vehicles sold worldwide. It is estimated that there are now more than two million electric vehicles on the road globally[[2]](#footnote-2). This number is likely to increase as battery technology improves and electric vehicles become more affordable.
5. The shift to electric vehicles continues to gain momentum, with policy makers in jurisdictions around the world identifying and accepting the benefits of their widespread uptake. Recently, both France and the United Kingdom indicated that they will ban the sale of petrol and diesel vehicles by 2040, paving the way for cleaner, greener and cheaper motoring into the future.
6. Norway has also announced their intention to phase out internal combustion engines, with all new passenger vehicles sold from 2025 required to be zero-emission vehicles. Electric vehicles will also play a significant role in the development of mass transit fleets into the future, with many jurisdictions commencing the transition to zero-emission electric buses.
7. TTF urges the Victorian Parliament to ensure that Victoria remains at the forefront of supporting and adopting electric vehicle technology. An increased uptake of private and public electric vehicle fleets will provide tangible benefits to the environment and to Victoria’s future transport network.

*The potential benefits of widespread uptake of electric vehicles in Victoria to the environment, including greenhouse gas emissions, air quality, noise and amenity*

1. It is estimated that road transport produces around 12 per cent of Australia’s total greenhouse gas emissions[[3]](#footnote-3). Further estimates indicate that 6 per cent of Australia’s greenhouse emissions are caused by private passenger vehicles[[4]](#footnote-4).
2. A greater uptake of zero emission electric vehicles, as compared to vehicles powered by an internal combustion engine, would significantly reduce greenhouse gas emissions in Victoria and reduce air pollution, particularly in urban areas.
3. Reduced air pollution levels would in turn lead to numerous health benefits for the community through improved air quality. Electric vehicles are also quieter than petrol or diesel vehicles, resulting in less noise pollution and greater urban amenity.

*The regulatory, infrastructure, economic, employment and incentive options for supporting the uptake of privately owned electric vehicles*

1. To increase the attractiveness of privately owned electric vehicles, governments must consider supporting and adopting a range of incentives. While there is no ‘silver-bullet’ to ensure an increased uptake of electric vehicles, a combination of financial and non-financial incentives could accelerate a surge in electric vehicle purchases across Australia.
2. Globally, jurisdictions are actively encouraging consumers to purchase electric vehicles through the provision of generous financial incentives. As an example, electric vehicles in Denmark and Germany are exempt from vehicle registration and road charges. In Norway, electric vehicles are exempt from congestion charges and motorway tolls. TTF notes that Victoria currently offers a registration discount for hybrid vehicle owners.
3. The NRMA has recently called on the Australian Government to provide a short-term exemption to Fringe Benefits Tax and to abolish the Luxury Car Tax for electric vehicles to encourage mass adoption in Australia[[5]](#footnote-5).
4. Financial incentives alone will not be enough to support the uptake of privately owned electric vehicles. For many consumers, the lack of adequate charging facilities remains a significant barrier to owning a fully electric vehicle. Greater investment in fast charging infrastructure is essential to increasing the attractiveness of electric vehicles.
5. To date, the private sector has taken the lead in the provision of electric vehicle charging infrastructure. In Western Australia, RAC WA, in partnership with local councils, is delivering an ‘Electric Highway’ providing publicly accessible fast charging stations in Perth and the South West[[6]](#footnote-6).
6. The Queensland Government has also launched an ‘Electric Super Highway’, and will provide fast charging electric vehicle stations from the Gold Coast to Cairns[[7]](#footnote-7). The NRMA has also announced a $10 million investment that will deliver 40 charging stations across NSW and the ACT[[8]](#footnote-8).
7. TTF recommends that the Victorian Government, in partnership with local councils and the private sector invest in greater and easily accessible fast charging stations across Victoria to support the growth of electric vehicle ownership.

*The applicability of electric vehicles in public transport bus fleets and public sector fleets*

1. Electric vehicles have the potential to transform Victoria’s public transport network. TTF supports the introduction of electric public transport bus fleets in Victoria and believes that they can become a viable option for mass public transport.
2. Electric public transport fleets could provide a real alternative to diesel fleets and provide environmental, financial and societal benefits. On an environmental basis, the introduction of electric bus fleets would reduce carbon emissions from bus fleets to zero, improving air quality and eliminating the risk of environmental damage from fuel spills.
3. Electric bus fleets could also provide long term financial savings for governments and operators. While electric buses are currently more expensive to purchase than diesel buses, the transition to electric vehicles worldwide will ultimately bring down the costs to manufacture and maintain electric public transport bus fleets.
4. There continues to be a worldwide shift towards electric bus fleets as public transport authorities actively encourage the adoption of electric vehicle technology. The Netherlands is a leader in this space, signing a ‘Green Deal’ agreement with public transport operators and regional transport authorities to only procure zero-emission buses from 2025[[9]](#footnote-9). The agreement also seeks to achieve a zero-emission public transport fleet by 2030.
5. Public transport operators have also embraced zero-emission electric public bus fleets. Transdev currently operates 384 electric buses in regular service worldwide, including in Sweden, Finland, France, Canada, the USA and the Netherlands.
6. In 2016, Transdev, through its subsidiary Hermes, commenced operation of 43 electric buses in Eindhoven in the Netherlands – the largest single zero-emission public transport bus fleet in Europe.
7. One of the challenges faced by Transdev in operating the electric fleet in Eindhoven was the limited operational radius of the electric fleet. To overcome this, Transdev developed an innovative charging strategy that enabled buses to run more than 300 kilometres a day on highly patronized routes through the implementation of ultra-fast charging technology and a sophisticated fleet rotation system. As battery technology improves, the challenges faced by operators of electric public transport bus fleets will gradually dissipate.
8. Provided that governments across Australia demonstrate a greater commitment to the development of electric bus technology, the uptake of electric mass transit vehicles is likely to accelerate, providing a more environmentally sustainable mode of mass transit for commuters into the future.
9. To support the uptake of electric public transport bus fleets, TTF recommends that the Victorian Government undertake a trial of electric buses or electric on-demand transport services in Melbourne in partnership with the private sector to assess their suitability to the local urban environment. Such a trial would also demonstrate Victoria’s commitment to the provision of a sustainable public transport network.

*Options for supporting the manufacture and assembly of electric vehicles in Victoria*

1. TTF notes the recent decision by the South Australian Government through a joint venture with the private sector to fund the design and manufacture of two electric buses and 50 low carbon emission diesel buses in Northern Adelaide for supply interstate through the *Future Jobs Fund[[10]](#footnote-10).*
2. In June 2017, the first Australian made electric bus was launched in Adelaide. The electric bus will be trialed on Adelaide’s main public transport network, providing the South Australian Government with information about how electric buses might be used as part of Adelaide’s future public transport network.

*The applicability of electric vehicles to the car share providers market*

1. Electric vehicles could also transform both the car-share and ride-share markets and play a significant role in supporting the uptake of public transport services across Victoria, provided that unnecessary regulatory barriers that could potentially stall the uptake of shared transport services are not implemented.
2. TTF has previously noted its opposition to the Victorian Government’s plan to introduce a $2 levy on all point-to-point trips from 2018 as it provides a financial disincentive for consumers. TTF urges the Victorian Government to consider an exemption for all electric point-to-point vehicles from the proposed $2 levy.
3. Thank you again for the opportunity to provide a submission to this Inquiry. Should you have any further questions about this submission, please do not hesitate to contact me.

Yours sincerely

**Ben Gommers**

Corporate Affairs Manager

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2. Electric Vehicle Council, [*State of EVs in Australia*](http://electricvehiclecouncil.com.au/wp-content/uploads/2015/05/State-of-EVs-in-Australia-2017.compressed.pdf)*,* 2017. [↑](#footnote-ref-2)
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4. Renault, [*Fluence Lifecycle Assessment*](https://group.renault.com/wp-content/uploads/2014/09/critical-review-fluence-acv.pdf), 2014. [↑](#footnote-ref-4)
5. NRMA, [*The Future is Electric*](https://www.mynrma.com.au/-/media/the-future-is-electric.pdf?la=en)*,* 2017. [↑](#footnote-ref-5)
6. RAC WA, [*The RAC Electric Highway*](http://electrichighway.rac.com.au/)*,* 2016. [↑](#footnote-ref-6)
7. Queensland Government, [*The future is electric for Queensland motorists*](http://statements.qld.gov.au/Statement/2017/7/27/the-future-is-electric-for-queensland-motorists)*,* 2017. [↑](#footnote-ref-7)
8. NRMA, [*NRMA to build Australia’s largest fast charging network*](https://www.mynrma.com.au/community/news-and-media-centre/nrma-to-build-ev-fast-charging-network)*,* 2017. [↑](#footnote-ref-8)
9. Government of the Netherlands, [*The Green Deal approach*](http://www.greendeals.nl/wp-content/uploads/2015/03/Green-Deals-folder-ENG.pdf)*,* 2015. [↑](#footnote-ref-9)
10. South Australian Government, [*First Australian-made electric bus rolls of production line in Northern Adelaide*](https://www.premier.sa.gov.au/index.php/jay-weatherill-news-releases/7666-first-australian-made-electric-bus-rolls-off-production-line-in-northern-adelaide)*,* 2017. [↑](#footnote-ref-10)