



**FEDERAL
CHAMBER OF
AUTOMOTIVE
INDUSTRIES**

FCAI submission in response to:

Electricity Supply for Electric Vehicles

Victorian Legislative
Council Economy and
Infrastructure Committee

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RICHARD DELPLACE
DIRECTOR EMERGING TECHNOLOGIES



PETER GRIFFIN
DIRECTOR STATE & TERRITORY ADVOCACY AND COMMUNICATION



FEDERAL CHAMBER OF AUTOMOTIVE INDUSTRIES



1. INTRODUCTION

As the Australian and global economies move towards net zero emissions from the transport sector, the importance of thorough debate and consultation across sectors is critical.

The Federal Chamber of Automotive Industries (FCAI) welcomes the opportunity to provide this submission to the Legislative Council Economy and Infrastructure Committee study into Electricity Supply for Electric Vehicles.

The primary purpose of this submission is to provide current market data relating to new vehicle sales in Australia. Commentary will focus on the uptake of Battery Electric Vehicles (EVs) and ideally provide a guide for the future development of recharging infrastructure in Victoria.

The FCAI is the peak Australian industry organisation representing over 60 global automotive brands that design, manufacture, import, distribute and sell light duty passenger vehicles, light commercial vehicles, and motorcycles in Australia across more than 380 models supported by almost 4,000 dealers. Our members are listed on our [website](#).

We bring together our members to consider changes to our operating environment, develop industry-wide positions or perspectives, and drive collective initiatives for the benefits of members, consumers and the broader industry.

FCAI members currently deliver more than one million vehicles annually to Australian private, business, government and rental consumers with power sources including petrol, diesel, hybrid (HEV), plug-in hybrid (PHEV), battery electric (BEV) and fuel cell electric vehicles (FCEV).

The industry is on a pathway to decarbonising the light duty transport sector and supports efforts by governments at all levels to introduce ambitious and achievable policies that support these efforts.

Although FCAI and its members operate outside of the infrastructure sector, it is important that there is an understanding of the current vehicle market and the expectation of the demand for electric vehicles in Australia and Victoria. Application of this data will assist in the development of appropriate infrastructure to support the continuing uptake of zero and low emission vehicles.

Data in this paper is derived from the VFACTS reports prepared for FCAI, with additional data reported by the Electric Vehicle Council reporting for two specific brands. These reports are published monthly and detail new vehicles in Australia across multiple areas including segment types, model types and vehicle power source.

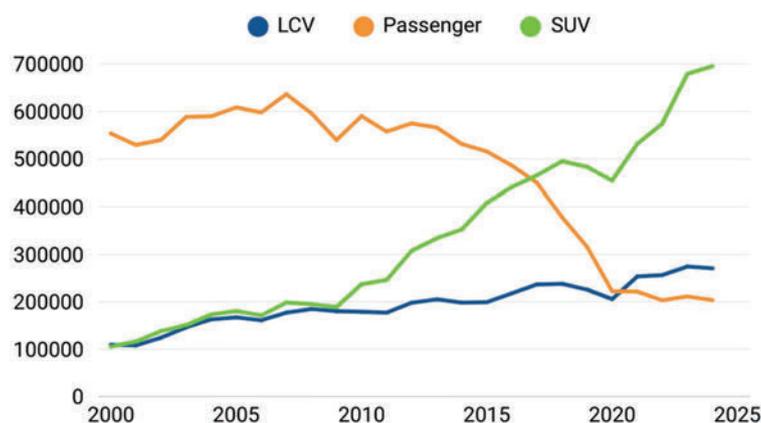
2. THE AUSTRALIAN AUTO MARKET AND VICTORIAN EXPERIENCE

2.1 Sales Performance

The annual 2024 new vehicle sales result for 2024 showed that 1,220,607 new vehicles were sold in Australia. In Victoria, that number was 328,307 or 26.8 per cent of the total market. Year to date September 2025, new vehicle sales in Victoria are 244,023 and broadly steady at 27 per cent of the total market. Given that Victoria represents more than a quarter of new vehicle sales, any national projections are generally reflective of the Victorian experience.

For the past 12 years – and coinciding with the end of local vehicle manufacturing in 2017 – Australians have shown a clear preference for SUV and Light Commercial vehicles. In December 2024, the Passenger segment accounted for 17 per cent of new vehicle sales while SUV and Light Commercial made up almost 80 per cent of sales. Large SUVs and Light Commercials account for around one third of new vehicle sales.

Sales by Segment since 2000



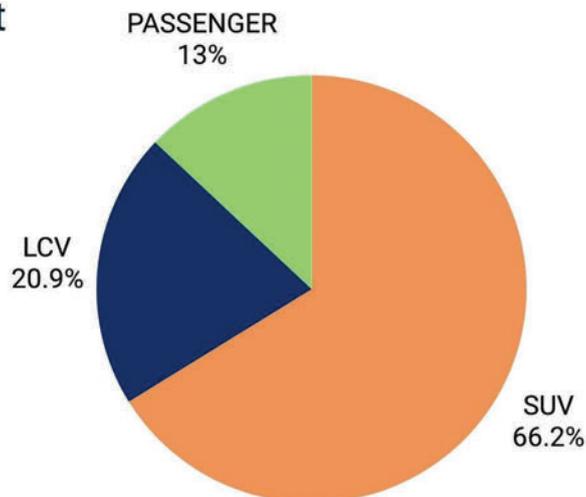
Source: VFACTS

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Consumer preferences for these vehicle categories is important when considering the uptake of zero and low emission vehicles. The transition to a market which includes a majority of EV sales will take time given the size and complexity of the existing car parc and, while segments of the vehicle market currently have a large availability of electrified options, there remain challenges particularly in the heavier segments such as large SUV and light commercial vehicles which will take longer given the use case of vehicles and consumers needs for off-road capability, towing/payload capacity and range.

Sales by Segment

2025 year to date
Victoria

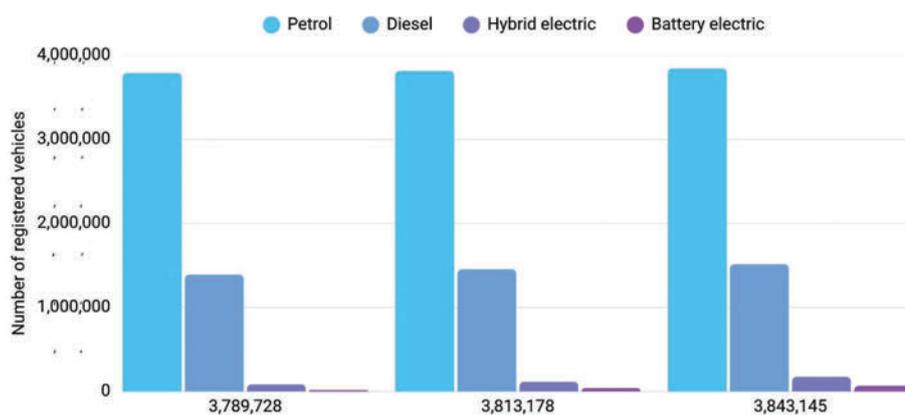


Source: VFACTS September 2025

Within the electrified segment of the light duty fleet, policies will need to focus on the affordability of vehicles, availability of public charging infrastructure, robust nature of the grid which supports it, and broader revenue solutions to ensure that consumers have confidence in transiting while maintaining a robust sector.

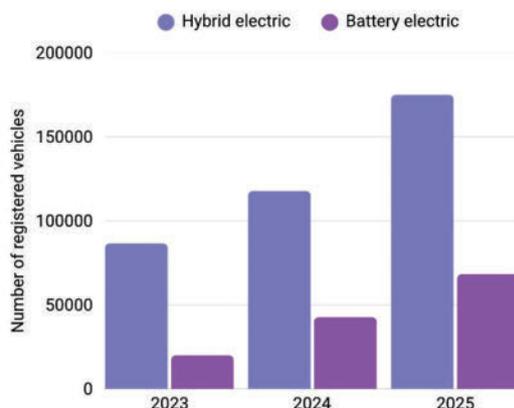
Registered vehicles by power type

Victoria



Source: Road Vehicles Australia 2025, Bureau of Infrastructure and Transport Research Economics

Registered vehicles by power type Victoria



Source: Road Vehicles Australia 2025, Bureau of Infrastructure and Transport Research Economics

For segments of the light duty fleet which will be harder to decarbonise at a cost which is acceptable to consumers, there should remain a focus on looking at other solutions and how alternative energy sources, such as low carbon liquid fuels, can play a role in reducing economy wide emissions from the broader transport sector.

However, while the pace of change is accelerating, Australia is still a market with a large car parc of more than 21 million registered vehicles which will take time to transition.

The transition will also occur at different paces within market segments as advancements in technology across electrification, battery chemistry and other powertrains continues.

It is important that due consideration is taken in addressing the challenge as a whole, rather than focusing on singular policy initiatives in isolation without considering the broader inputs and implications from other elements of the economy.

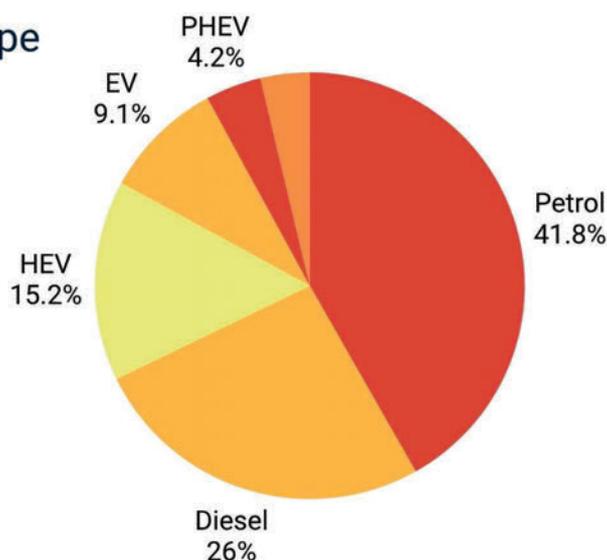
EV Uptake in Australia

In 2024, Australian consumers were increasingly making choices regarding environmental outcomes and the associated total cost of ownership of moving to low emissions technologies. However, VFACTS sales results reflecting new vehicle sales showed that for the calendar year of 2024, EVs accounted for 7.4 per cent of new vehicle sales. This number was lower than expected, with FCAI anticipating EV sales to achieve about 11 per cent of all new vehicle sales.

Year to date September 2025 has seen some slight increase in EV sales however the proportion of EVs accounts for 8.1 per cent of total market sales. In Victoria, this number is slightly higher at 9.1 per cent.

Sales by Fuel Type

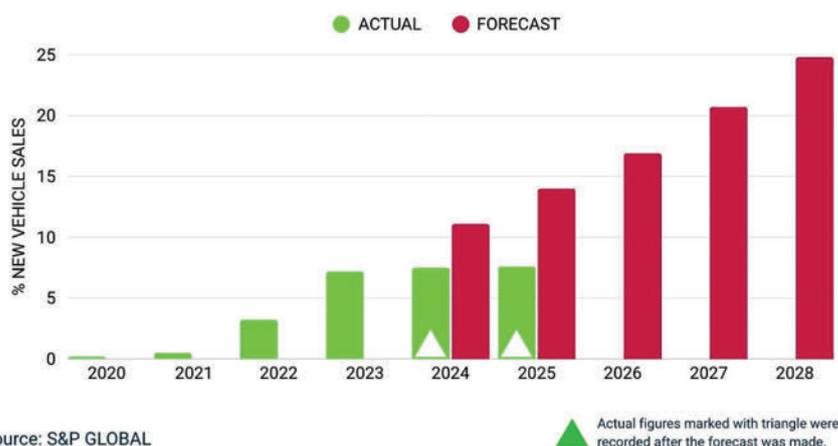
2025 year to date



Source: VFACTS, EVC

While the sales of battery electric vehicles were lower than expected, this was offset to a degree by an increasing number of buyers turning to hybrid and plug-in hybrid models. In Victoria YTD September 2025, hybrid made up 15.2 per cent of new sales and plug-in hybrid models was 4.2 per cent of sales. This uptake is in spite of the generous but narrowly focused FBT concessions offered by the Federal Government.

EV sales: Forecast v Actual Demand



The sales performance shows that while sales have been increasing, sales are currently relatively flat.

In spite of the relatively flat sales result for EVs, the choice that is available for consumers has continued to increase. As at September 2025, there were around 100 EV models available in Australia, and this number continues to increase as new brands introduce new models.



In this case, it is the view of FCAI that the supply of new EV product is not an issue. The current concern is that consumer demand remains relatively weak, especially in the absence of targeted consumer incentives that exist in other countries.

The trend is significant in the context of the Victorian Government Zero Emissions Vehicle Roadmap aiming for half of all light vehicle sales to be zero emission vehicles by 2030 and a fully decarbonised road transport sector by 2045. Based on current trends, it is likely that the 2030 ambition is at risk.

Challenges for Consumers Moving to EVs

FCAI believes that in spite of the supply of EVs continuing to increase, consumer demand has plateaued or potentially falling. This is a major concern for FCAI and its members who are increasingly delivering zero and low emissions vehicles in the Australian market.

The primary challenges facing consumers considering a move to make an EV purchase include:

- *Total cost of ownership.*
 - Purchase price
 - Insurance cost
 - Residual /resale price
 - Maintenance
 - Fuel cost

- *Consumer Vehicle Preference*
 - An EV option may not be available for the type of vehicle a consumer is seeking. For example, the availability of EV models in the large SUV and Light Commercial markets is limited and/or at a relatively high price. Also some consumers have a preference to buy a vehicle with an internal combustion engine.

Infrastructure

The continued investment in public charging infrastructure to support the uptake of electric vehicles is a pivotal requirement going forward to ensure consumer confidence, particularly in regions and to consumers with limited, or no, off street parking options.

FCAI acknowledges the programs being undertaken by the Victorian Government to support the development of recharging infrastructure through programs (including grants funding) such as Destination Charging Across Victoria; EV Charging for Business Fleets; EV Charging for Council Fleets; and ZERO Emissions Vehicle Emerging Technologies.

As market penetration grows there will be a continual need for renewed development in public and private charging infrastructure to ensure that consumers are still able to access the same quality of service, and supply, when required.



International experience indicates that a majority of charging will occur at the home, which is an attractive proposition for Australian consumers given the availability of off-street parking and high penetration of rooftop solar investment.

Revised building codes across the country that support the installation of recharging infrastructure in new builds is a positive step. However, issues are emerging regarding the supply of infrastructure to existing high density dwellings such as apartments and body corporates concerns over battery fires, even if the risk of occurrence is extremely low.

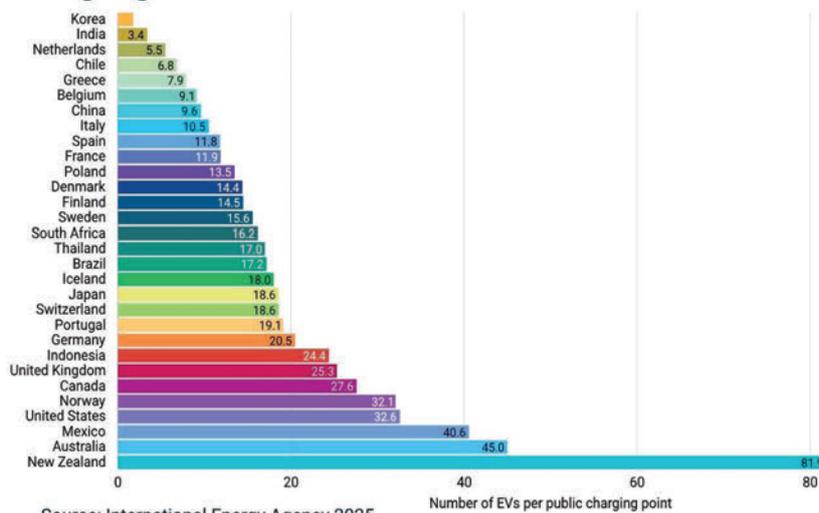
At times this can exacerbated through cost of insurance as well while the industry grapples with the rate at which developments occur, and the limited historic data on which to base decisions for insurance premiums.

It will be public charging infrastructure in metropolitan and regional/remote areas which requires critical investment and coordination from both Government and other participants to continue to provide the public with confidence to embrace the new technology.

Market assessments on the quantum vary, however a recent Deloitte assessment suggested that by 2033 there would need to be a minimum of 31,500 public chargers available to support the national fleet.

The International Energy Agency in 2025 reported on the number of EVs per public charging point in 30 countries. It found that Australia had the second lowest ratio of public charging points relative to the number of EVs on the road.

Charging Infrastructure



Given the large-scale investment which will be required from both existing, and new infrastructure providers we recommend that the Victorian Government should play a greater role in the identification, and coordination, of charging priorities to ensure the efficient allocation of capital towards infrastructure.



This would need to be focussed towards not only the physical charging equipment roll out, but also through the distribution and generation assets, given the large amount which will be required in coming decades.

Ministerial Council

The Energy and Climate Change Ministerial Council communique issued on 24 November 2023 stated:

‘Ministers agree new Minimum Operating Standards for Government-Funded Electric Vehicle (EV) Charging Infrastructure. Once implemented, these standards will help ensure that Australian EV drivers will have access to a convenient, reliable, affordable and equitable national charging network’.

FCAI believes that the ability to provide consumers with certainty regarding the availability and cost of recharging infrastructure will be a significant step in building consumer confidence in making the shift to electric vehicles.

3. FEEDBACK ON INQUIRY QUESTIONS

1. Strategies to reduce EV charging during periods of peak demand on the grid and increase charging during periods of peak supply

The Victorian Government has a key role in communicating to its constituents how electricity demand generally and specifically in the case of electric vehicle charging can impact the grid. The government should lead clear, consistent communication campaigns to explain the benefits of a more stable, renewable-powered grid and educate Victorians on why and how to shift their charging habits.

2. Whether public charging infrastructure is being installed at a sufficient rate in different parts of Victoria, including older suburbs where most people do not have access to off-street parking

Victoria's public charging infrastructure has expanded significantly in recent years, driven by the government's Zero Emissions Vehicle Roadmap and initiatives like the Destination Charging Across Victoria (DCAV) Program.

Despite this state-level progress, Australia lags international counterparts. With approximately 45 electric vehicles per public charger, the nation's ratio is considerably



higher than the European Union's average of less than 13, as highlighted in the [IEA's Global EV Outlook 2025](#).

Looking ahead, the required growth is substantial. To support a projected 2.5 million EVs in the national vehicle fleet by 2033 (representing 43% of new vehicle sales), Deloitte estimated in their [“EV Charging Infrastructure: the Next frontier” report](#) that 27,500 new public chargers are needed, an eight-fold increase from current capacity.

This scaling challenge underscores the critical role of government in coordinating infrastructure investment. It is uniquely positioned to lead a statewide strategy, co-designed with councils, energy distributors, and private operators. This strategy must transition from a strategic and targeted installation to a steady rollout program that addresses all charging needs, from key destinations to broad on-street availability.

3. Whether old EV batteries could have a second life as household or community batteries after removal from vehicles

Retired EV batteries can technically be repurposed for stationary storage, but to reach a scale of any significance, this ‘second life’ application must compete with the higher value of repairing them for reuse, the cost of new, purpose-built batteries, and the rising financial incentive to recycle them for raw materials.

4. Barriers and opportunities to the manufacture, reconditioning and recycling of EV batteries, or other elements of the EV supply chain

Victoria currently leads Australia in battery pre-processing. However, the industry is constrained by the lack of local capability in ‘black mass’ refining and a shortage of used batteries, due to the minimal number of EVs having yet reached end of life and the unregulated end-of-life vehicle exports.

To create a high-value, closed-loop system, Victoria must put in place the necessary controls to monitor when vehicles reach their end of life and invest in developing onshore refining capabilities.

5. Other related matters the Committee considers relevant

The Victorian Government should leverage its position on the Energy and Climate Change Ministerial Council to ensure the federal Department of Climate Change, Energy, the Environment and Water (DCCEEW) reports publicly and annually on the performance of all government-funded EV charging infrastructure. This reporting must be benchmarked against the [national Minimum Operating Standards](#) that detail key metrics like uptime, payment system functionality, and interoperability.

Implementing this recommendation would help build consumer confidence and drive accountability of the subsidised EV charging operators.



4. CONCLUSION

FCAI supports the Victorian Government direction under the Zero Emissions Vehicle Roadmap and acknowledges the importance of this inquiry into the supporting recharging infrastructure. The planning and development of recharging infrastructure is a critical element in building consumer confidence in this technology as a reliable, affordable and enjoyable mobility choice for business, recreation and families.

Currently, the target of all light vehicle sales being EV by 2030 must be considered as an aspirational target. In 2024, sales of battery electric vehicles in Australia were about 7.4 per cent of total sales and at September 2025 YTD this number was at 9.1 per cent.

The supply of electric vehicles into the Australian market continues to increase with around 100 EV models available for consumers. However, as supply of vehicles increases, the market is not experiencing an increase in the demand from consumers. This presents a challenge to planners with respect to recharging infrastructure development in the short to medium term.

FCAI looks forward to the opportunity to work alongside the Victorian Government to support the continuing uptake of zero and low emission vehicles into the State and to reduce emissions from the light vehicle segment.