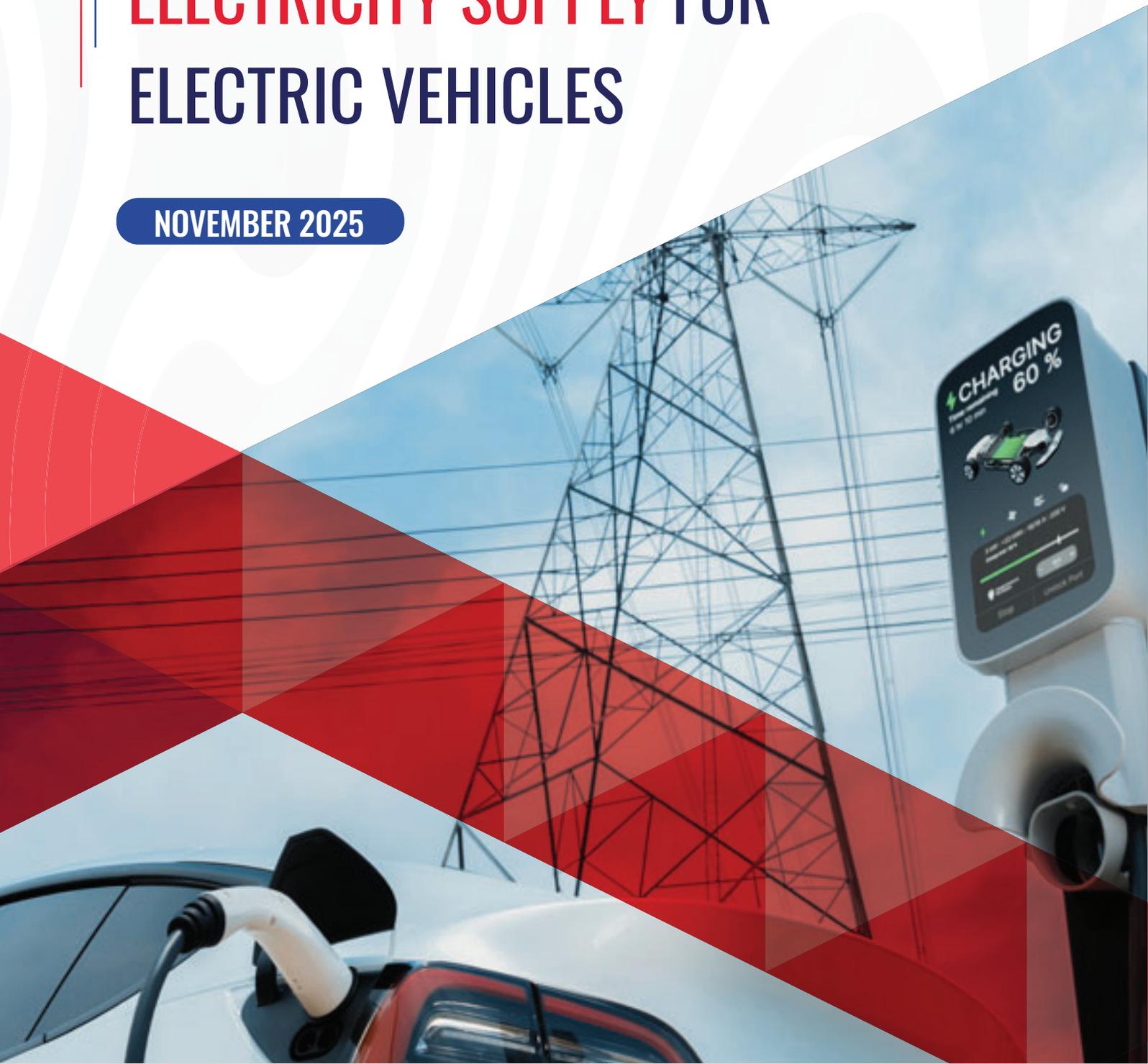




AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION

AADA RESPONSE TO VICTORIAN INQUIRY INTO ELECTRICITY SUPPLY FOR ELECTRIC VEHICLES

NOVEMBER 2025



CONTENTS

Section 1: Foreword	03
Section 2: AADA Recommendations	05
Section 3: AADA Responses to Terms of Reference	06
Section 4: Conclusion	10

FOREWORD

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to provide a submission in response to the Victorian Parliamentary Economy and Infrastructure Committee.

The AADA represents almost 3,800 new car and truck dealers in Australia, including 878 dealers in Victoria. Dealers range from family-owned small businesses to larger and publicly owned businesses, operating in regional Australia and capital cities across the country. Victorian Franchised new car and truck dealers employ more than 18,549 people directly with a total economic contribution of around \$5.8 billion. Each year Victorian franchised dealers sell more than 446,000 new and used vehicles, and Victorian Dealers complete over 10 million individual service, repair, and maintenance jobs. The AADA supports the objectives of a transition to lower and zero emission technologies in the light vehicle sector and notes the 2035 net zero emissions reduction targets.

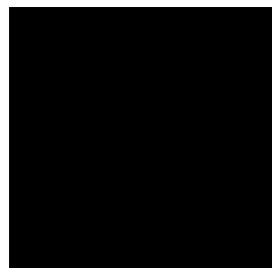
The automotive industry is currently undergoing one of the most significant transformations in its history. The transition to low emission vehicles will entail major shifts in consumer purchasing behaviours, charging infrastructure investment, upskilling and retraining of the workforce, new service and maintenance practices and commercial settings which franchised new car dealers operate. This transition is also not limited to the vehicles themselves and will require broader consideration of energy systems, regional and rural accessibilities and waste management.

Against this backdrop, the Commonwealth has introduced a suite of policy measures aimed at accelerating emissions reductions in road transport.

Central among these is the New Vehicle Efficiency Standard (NVES), designed to reshape the new-vehicle supply landscape and encourage a shift toward lower-emission vehicles by 2029. The NVES is underpinned by broader policy ambitions, including the Net Zero Roadmap, charging infrastructure programs and consumer-facing incentives (FBT exemption) all of which will influence how the supply of low emission vehicles and how consumers respond to new these products in the market.

The AADA considers that now that these frameworks are in place, successful execution will depend on how well governments, utilities providers, manufacturers, fleet operators and franchised new-car dealers coordinate to provide confidence to consumers. In the context of this Inquiry, franchised new car dealers are at the forefront of this transition. They are the primary touchpoint for consumers, and play a primary role in consumer education, particularly around charging and other aftersales areas. If policy settings for grid demand, pricing, or infrastructure don't line up with customer expectations, the impact will be seen in the dealership through unsold vehicles, warranty pressures, and frustrated buyers who feel the technology isn't ready for them.

James Voortman
Chief Executive Officer





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VICTORIA

DEALERNOMICS

DEALER

WAGES

\$2.2 BILLION
ANNUALLY

TOTAL ECONOMIC CONTRIBUTION

\$5.8 BILLION
ANNUALLY

TAX & DUTY CONTRIBUTION

\$2.2 BILLION
ANNUALLY

SALES /TURNOVER

\$25.2 BILLION
ANNUALLY



DEALER EMPLOYEES

18,549



APPRENTICES

2,120



TRAINING
INVESTMENT
\$10.8 MILLION
ANNUALLY



WORKSHOP JOBS
COMPLETED
OVER 10 MILLION
ANNUALLY



CUSTOMER FINANCE
CONTRACTS
FACILITATED
126,366
ANNUALLY



NUMBER OF
DEALERSHIPS
878
TOTAL



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*Workshops Jobs include Passenger, SUV & LCV only

AADA RECOMMENDATIONS



The AADA recommends that government provide targeted support for dealership-based consumer education.



The AADA recommends the development of a whole-of-state EV charging rollout plan that identifies optimal charging locations based on real consumer use patterns, to support consumer confidence.



The AADA recommends that the Victorian Government reintroduce demand-side EV incentives to encourage consumers to transition to lower-emission vehicles.



The AADA recommends the establishment of a national automotive end-of-life stewardship scheme.

AADA RESPONSES TO TERMS OF REFERENCE

1. STRATEGIES TO REDUCE EV CHARGING DURING PERIODS OF PEAK DEMAND ON THE GRID

The Franchised dealers are the first point of contact for consumers transitioning to electric vehicles, and the vast majority of consumers do not arrive at a dealership with extensive knowledge on the different aspects of charging and how this may influence their purchasing decision. These conversations take place across the sales desk, on the showroom floor, and during delivery handovers.

Current electricity tariff structures, regulatory settings and peak/off-peak incentives are complex and different across networks and providers, and often are considered in conjunction with the infrastructure at a residence or setup involve distributed energy systems (e.g. home solar). Without clear and practical guidance, most customers default to charging when it is convenient for them typically in the early evening, when they return from work and when grid demand is already at its peak.

Dealers are well positioned to change this behaviour at the purchase point and encourage more grid friendly alternatives. The AADA considers, that in order to do this, dealers need to be given the tools and support to deliver accurate information. Currently, dealerships absorb the time and cost of consumer education, despite having limited access to clear, standardised guidance from electricity distributors or government programs. In many cases, staff rely on brand-specific manuals or fragmented online information, which increases confusion and undermines consumer confidence.

Or in some cases may refer them back to the network provider. To reduce peak demand in a way that is practical and consumer focused, policy must recognise and fund the role dealers play as educators.

The AADA recommends that government provide targeted support for dealership-based consumer education.

Section 3

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;

The AADA supports efforts to support electric vehicle (EV) charging both at public charging stations and in the home, but consumer hesitancy shows that charging remains one of the strongest barriers to purchasing electric vehicles. For many buyers, the decision comes down to whether their home or local environment can support EV charging. In suburbs with older housing stock, high-density multi-dwelling units and little off-street parking, home charging is impractical or prohibitively expensive, leading buyers to choose hybrids or PHEVs instead of BEVs.

Franchised new car dealers are also involved in the rollout of EV charging both public and at the dealership, which is an extensive and costly exercise. AADA-commissioned analysis by Energetics found that the capital investment required for dealership charging infrastructure is expected to exceed \$1 billion nationally, ranging from approximately \$130,000 for a typical regional dealer to \$580,000 for a rural site, excluding the six- and seven-figure upstream grid upgrades often required.

With this in mind, the AADA considers that Victoria would benefit from a coordinated statewide charging rollout plan that is developed in partnership with industry and reflects real consumer use patterns.

That plan should prioritise locations where customers make purchase and ownership decisions, including dealership and service precincts, high-density residential areas, key freight and tourism routes, and regional centres where long-distance travel is common. A statewide charging strategy that recognises this frontline role and includes franchised dealers as core stakeholder of Victoria's EV infrastructure, would support consumer confidence and the broader transition more effectively than leaving dealerships to navigate electrification of their sites alone.

The AADA recommends the development of a whole-of-state EV charging rollout plan that identifies optimal charging locations based on real consumer use patterns, to support consumer confidence.

3. THE BEST ROLE FOR ELECTRICITY DISTRIBUTION BUSINESSES IN ROLLING OUT EV CHARGING INFRASTRUCTURE, AND HOW DISTRIBUTION NETWORK TARIFFS SHOULD BE SET FOR EV CHARGERS;

The AADA has no comment.

4. STRATEGIES TO FACILITATE THE TAKE-UP OF EV OWNERSHIP, INCLUDING THE FACILITATION OF BIDIRECTIONAL CHARGING;

The Consumer acceptance of electric vehicles remains a central determinant of Victoria's net-zero transport outcomes. Despite strong policy ambition, a considerable proportion of Victorian new-car buyers are not yet convinced that a battery electric vehicle (BEV) is suitable for their next purchase. BEVs play a long-term role in decarbonisation, but they currently account for a modest share of the market. In the first half of this year BEV sales comprised 7.73 per cent of nationwide new-vehicle sales, compared with 15.65 per cent for hybrids and 4.27 per cent for plug-in hybrids (PHEVs). Combined, hybrid technologies represented nearly one in five new vehicles (19.92 per cent), reflecting a consumer preference for transitional technologies that reduce emissions without relying on charging networks that many consumers do not yet trust or access easily. The [AADA's 2024 national consumer survey](#) indicates that open to considering an EV specifically for their next vehicle has remained steady at 39 per cent over the past two years, with affordability and charging availability continuing to be the two most common barriers.

The AADA considers that when policy settings and incentives lean heavily toward supply-side mechanisms such as the NVES, adoption becomes slower and more uneven. 62 per cent of respondents in the AADA/Zing consumer research agreed that government should provide stronger incentives to help customers transition to EVs. Victoria should not assume that BEVs will rapidly take market share without meaningful demand support.

Another important driver of consumer acceptance is resale value, and the AADA / AutoGrab September 2025 Automotive Insights Report shows that EV residual value decline is materially steeper than ICE vehicles. This has direct implications for retail buyers, trade-ins, fleet managers and secondary markets. Two-year-old EVs retained 65.8 per cent of their new value, compared with 86.2 per cent for two-year-old passenger cars overall. At five years, EVs retained only 42.8 per cent, while the passenger car average was 78 per cent.

These outcomes erode consumer confidence, increase perceived financial risk, and can deter first-time EV buyers. When new-vehicle price cuts, often introduced to boost short term compliance or clear stock, flow through unevenly to the used market, they significantly reduce residual values. Without Victorian demand-side levers that mitigate these risks, depreciation becomes a structural barrier that slows adoption rather than accelerates it.

State based incentives such as stamp duty exemptions, reduced registration, or concessional transfer fees provide a direct and highly visible signal to consumers at the point of purchase. These incentives lower upfront costs, increase affordability, and are more effective at stimulating EV demand when combined with supply side measures.

The AADA recommends that the Victorian Government reintroduce demand-side EV incentives to encourage consumers to transition to lower-emission vehicles.

5. WHETHER OLD EV BATTERIES COULD HAVE A SECOND LIFE AS HOUSEHOLD OR COMMUNITY BATTERIES AFTER REMOVAL FROM VEHICLES;

The AADA has no comment.

6. THE BARRIERS AND OPPORTUNITIES TO THE MANUFACTURE, RECONDITIONING AND RECYCLING OF EV BATTERIES, OR OTHER ELEMENTS OF THE EV SUPPLY CHAIN, IN VICTORIA

Recycling of vehicles, parts and valuable resources is already embedded within the automotive sector and supported by many businesses, but it has not yet been consolidated into a formal end-of-life (ELV) product stewardship framework.

At present, AADA members manage end-of-life EV batteries arising from warranty or repair circumstances in collaboration with vehicle manufacturers, however, as EV uptake grows, this will not be sustainable without a clear national framework. Without defined responsibilities across the battery and vehicle lifecycle, dealers risk becoming de-facto storage sites for unwanted or unallocated batteries, exposing them to safety, insurance and regulatory risk.

To prevent this, EV batteries should be assigned identifiable serialisation and tracking, ensuring they remain traceable from first installation to final processing. This would safeguard against stockpiling, dumping or inappropriate secondary use and provide accountability at each stage of the vehicle's life.

The AADA strongly considers that EV batteries should not be regulated under a standalone battery stewardship scheme. Battery management must be integrated into a broader automotive ELV product stewardship system, recognising that batteries cannot be practically separated from the vehicle in which they are installed.

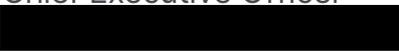
Treating EV batteries in isolation risks highly inefficient outcomes, including scenarios where the remaining vehicle is no longer economically viable for recycling. Safe dismantling and processing of electric vehicles, with their battery systems intact, should occur at authorised ELV recycling facilities that are built for this purpose. Foundational work on how such arrangements could be established, including EV batteries, has already been undertaken by the Motor Trades Association of Australia and the Federal Chamber of Automotive Industries, and provides a sound basis for progressing a national, integrated approach.

The AADA recommends the establishment of a national automotive end-of-life stewardship scheme.

CONCLUSION

The AADA would welcome further consultation on the issues under consideration by the Parliamentary Economy and Infrastructure Committee and would be pleased to meet or answer questions that arise from our submission.

James Voortman
Chief Executive Officer





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