

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### Inquiry into Electricity Supply for Electric Vehicles

Melbourne – Friday 27 February 2026

#### MEMBERS

Georgie Purcell – Chair

Richard Welch – Deputy Chair

John Berger

Gaelle Broad

Katherine Copsey

Moira Deeming

Tom McIntosh

Evan Mulholland

Sonja Terpstra

**WITNESSES**

Peter Griffin, Director, State and Territory Advocacy and Communications (*via videoconference*), Federal Chamber of Automotive Industries;

John Khoury, Manager, Industry Policy, and

Anthony Botta, Industry Policy Adviser, Victorian Automotive Chamber of Commerce; and

Melissa Dimovski, Director, Policy and Advocacy (*via videoconference*), and

Michael McKenna, Director, Industry Affairs (*via videoconference*), Australian Automotive Dealer Association.

**The CHAIR:** I declare open the Legislative Council Economy and Infrastructure Committee's public hearing for the Inquiry into Electricity Supply for Electric Vehicles. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands we are gathered on today, and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee, or who are watching the broadcast of these proceedings. I also welcome any other members of the public watching via the broadcast.

To kick off, we will have committee members introduce themselves to you, starting down this end with Mr Berger.

**John BERGER:** Thank you, Chair. John Berger, Member for Southern Metro.

**Gaelle BROAD:** Hi, I am Gaelle Broad, Member for Northern Victoria.

**The CHAIR:** Georgie Purcell, Member for Northern Victoria.

**Katherine COPSEY:** Katherine Copsey, Member for Southern Metropolitan.

**Tom McINTOSH:** Tom McIntosh, Member for Eastern Victoria.

**The CHAIR:** Thank you so much for taking the time to appear before us today. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, could you all please state your full names and the organisation you are appearing on behalf of. For the sake of ease, we might start in the room and then go to the screen.

**John KHOURY:** John Khoury, appearing on behalf of the Victorian Automotive Chamber of Commerce.

**Anthony BOTTA:** Anthony Botta, Victorian Automotive Chamber of Commerce.

**Peter GRIFFIN:** Peter Griffin, Federal Chamber of Automotive Industries.

**Melissa DIMOVSKI:** Melissa Dimovski, Australian Automotive Dealer Association.

**Michael McKENNA:** Mick McKenna from the Australian Automotive Dealer Association.

**The CHAIR:** Great. Thank you so much. We now welcome your opening comments but ask they are kept to around 10 to 15 minutes maximum. I note there are five different people here, and if you want to go separately, that might go over time. But we just want to ensure plenty of time for discussion and questions. I will hand it over to you guys for how you want to run it.

**John KHOURY:** Sure. I might kick off if that is okay. Thank you, Chair and the committee, for the opportunity to present to you today. The VACC represents approximately 5000 automotive businesses across Victoria, employing over 50,000 Victorians. Our members sit at the centre of the transition towards vehicle electrification. They sell, service, repair and dismantle vehicles, and increasingly they are starting to manage and remanufacture electric batteries. As such, we see firsthand both the opportunities and the challenges associated with electrification.

The automotive industry supports the Victorian and Australian governments' net zero 2050 ambitions and the 43 per cent emissions reduction target by 2030. However, policy settings must recognise that this transition is not occurring in isolation. It is happening amid significant structural change, cost pressures, regulatory reform and acute workforce shortages. Globally, EV uptake continues to grow. Domestically, however, Australia remains behind comparable markets. While sales increased in 2025, much of the uplift was driven by temporary federal incentives and an increase in the supply of EVs at a more affordable price point. Sustained growth will depend on affordability, charging confidence and consumers' trust.

The introduction of the New Vehicle Efficiency Standard is accelerating change. From 2025 to 2029 CO<sub>2</sub> limits tighten dramatically, creating a steep compliance pathway for manufacturers and importers. While this policy will shift vehicle supply towards low- and zero-emission vehicles, it also carries real financial implications for dealers and consumers. Higher compliance costs are likely to influence vehicle pricing and model availability, particularly in segments such as light commercial vehicles. Consumer confidence remains fragile. Many buyers are concerned about resale value, battery replacement costs and charging accessibility. Without addressing these concerns, uptake will remain constrained.

On charging infrastructure, VACC's position is clear. The current rollout is not sufficient, particularly in established metropolitan suburbs where off-street parking is limited. Many Victorians rely on street parking and therefore depend on accessible, reliable public charging. We believe service stations are the most logical and impactful locations for fast charging deployment. They already possess appropriate zoning, established traffic volumes, customer amenities and in some cases grid connectivity. Yet despite their strategic importance, service stations have received comparatively limited targeted support. The capital cost of installing high-capacity fast chargers and upgrading grid connections remains prohibitive, particularly for small and independent operators. VACC recommends establishing a dedicated funding stream for service stations with higher rebate levels that reflects their strategic role in commuter and high-volume charging.

To accelerate EV uptake more broadly, government policy must also address affordability. Targeted stamp duty relief, support for second-hand EV markets, incentives for fleet turnover and supplier transition support for dealers would all help create a sustainable pipeline for vehicles into the used market.

Equally critical is workforce readiness. The automotive retail industry is experiencing severe skill shortages. Recent industry data shows vacancy fill rates well below the threshold that defines an occupational shortage. This presents a serious risk. If we do not have enough trained technicians to service and maintain EVs safely, consumer confidence will suffer. We therefore call for expanded funding for accredited EV training incentives, for workshops to invest in EV safe tooling and for structured partnerships between TAFEs, OEMs and industry.

Regarding batteries, VACC strongly supports second life applications for end-of-vehicle-life batteries. Repurposing batteries for stationary storage aligns with circular economy objectives and can reduce waste. However, this must be underpinned by clear regulatory frameworks, including recognised standards and design rules. More broadly, Australia urgently requires a comprehensive end-of-life vehicle framework. Internationally, product stewardship models place responsibility for recovery and recycling on manufacturers. Currently, full motor vehicles remain outside Australia's formal product stewardship scheme. As EV volumes increase, this policy gap becomes increasingly consequential.

Finally, Victoria has an opportunity to develop local capability in battery reconditioning and recycling. However, high capital costs, limited local processing capacity, safety risks, regulatory uncertainty and skill

shortages are significant barriers. Without coordinated government support these opportunities may be lost offshore.

In closing, the automotive industry is committed to playing its role in the transition to electrification. However, policy success will depend on practical implementation, charging infrastructure in the right locations, workforce readiness, clear safety standards, sustainable stewardship frameworks and affordability measures that bring consumers with us. Thank you, and I welcome the committee's questions.

**The CHAIR:** Wonderful, thank you. Did you have opening remarks as well?

**Anthony BOTTA:** Nothing further, thanks.

**The CHAIR:** Does anyone on the screen have opening remarks?

**Peter GRIFFIN:** Yes, I do. Peter Griffin from FCAI.

### **Visual presentation.**

**Peter GRIFFIN:** The FCAI is the peak Australian industry organisation, representing about 83 automotive brands that design, manufacture, import, distribute and sell light-duty passenger vehicles, light commercial vehicles and motorcycles in Australia, with more than 400 models. Around 45 of our members supply some form of electrification vehicle into Australia, whether that be hybrid, plug-in hybrid or pure battery electric. 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 those efforts. Although FCAI and its members operate outside of the infrastructure sector, it is important 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, and this is consistent with the current Victorian government's EV road map that seeks to understand the EV adoption forecasts.

I would like to take you through this presentation quickly to have a look at the market outlook, where it currently sits and some of the issues around EV uptake in Australia and how that relates then to the infrastructure piece. We can go straight to page 2. This is an image of the Australian market in terms of its segments. Australia sells around 1.2 million new vehicles in Australia every year. That represents about 1 per cent of the total global market. The orange line you can see there is the passenger segment, that has fallen quite significantly in recent years, particularly since the end of local manufacturing in Australia, and it is at its lowest level on record. That drop has been taken up particularly by the rise of SUVs in Australia. Not all SUVs are large, but Australians certainly have a preference these days for the larger SUV. The blue line is light commercial vehicles, so think your ute, which has been steadily increasing in recent years.

Next slide, please. In sales by segment nationally, SUVs and light commercial vehicles make up more than 80 per cent of new vehicle sales in Australia, so again emphasising where the preference lies. Passenger vehicles are at 13 per cent. But HCV – noting heavy vehicles, which FCAI gathers data on – are outside our remit. They are vehicles over 3.5 tonnes. In sales by segment, Victoria essentially mirrors what is happening in the rest of the Australian market given its size. So again, SUVs and light commercials are over 80 per cent and passenger vehicles are at 13 per cent, which is the lowest level on record.

Next slide, please. Sales by fuel type are interesting. Petrol and diesel still dominate as the predominant fuel sources in Australia, although in recent months we have seen the start of a decline in the take-up of petrol and diesel cars at the expense of some form of electrification, which is very encouraging. Hybrid vehicles are 23.7 per cent nationally, plug-in hybrid are 4.3 per cent, and these numbers are as at December 2025, which has been quite a significant increase in recent years. Battery electric vehicles are at 8.3 per cent of all new vehicle sales, and FCAI and VFACTS report just battery electric vehicles a standalone technology; we do not combine plug-in hybrids.

Next slide, please. In Victoria it is the same picture again. We will see that the take-up of battery electric vehicles in Victoria is slightly higher than the national average. But the growth nationally in EVs is of great concern for us. If we take the overriding position that the future is going to be electric, we do need to see an

increase in the uptake of electrification. In 2023 new vehicle sales of EVs represented 7.2 per cent of the market; in 2025, 8.3 per cent. It is a 1.1 percentage point increase in two years, which we need to accelerate.

Next slide, please. About three years ago FCAI had S&P Global map out some forecasts based on their international data of what OEMs were producing and what we could expect in Australia. The expectation at that point was that by 2028 we would see approximately 25 per cent of new vehicle sales being EV. Currently we are at 8.3 per cent, and you can see that orange line where it flatlines after a spike through 2022–23 and a flat line in the actual sales, which is a concern.

Next slide, please. This just gives you an image of the top 10 sales in Australia in 2025. If you quickly run down that list, you will see no EVs, and they are essentially large vehicles made up of utes and SUVs. This is where Australian consumers currently sit, and this is part of the challenge for us to shift for electrification.

Next slide, please. We have already had a mention of the New Vehicle Efficiency Standard, the federal government's emission standard. I want to put on the record that FCAI has long been a supporter of some form of emission standard for Australia to bring us into line with the rest of the world. The targets we have in place, though, are quite severe. In the scheme we have credits and debits for each brand, and penalties may apply to the brands that exceed their targets.

Next slide, please. This is an indication of the targets. Type 1 vehicles I think are smaller passenger cars – hatches and so on; type 2 are the larger SUV and light commercial vehicles. We can see in 2025 the numbers sitting at 141 and 210, dropping to 58 and 110 in 2029. The industry hit its target in 2025, but there is concern at the rate of change and the rate of the decrease and the struggle that may be in the market to hit these targets as we move through to 2029, given that 2029 is a 59 per cent decrease for that passenger segment on 2025 and for SUVs is 49 per cent. If we keep in mind the model cycle for a new vehicle can range anywhere from five to 10 years for a light commercial vehicle, EVs can be somewhat less than that – maybe two years or three years, and that is continuing to fall. But it is not like an iPhone where we might have a new model every year. It takes time for the production, engineering and design to be done to change vehicles, so there will be a struggle to hit these targets. So sustaining compliance with these targets is going to require much stronger uptake of EVs than we are currently seeing.

Next slide, please. This is an indication of the brands that were selling EVs in Australia in 2020. Move to the next slide very quickly. This is where we are in 2025. So we are seeing this picture change rapidly, particularly with the influx of Chinese brands into Australia. The point through this is that supply of EVs into the Australian market for consumers who choose to buy them and whose lifestyle they meet is not an issue. Supply is coming, and with more than 400 models overall in Australia, more than 100 models are EV. Choice is there, demand is not.

Next slide, please. This creates an issue with this cyclical chart we have got here. If we have an environment where there are fewer EVs sold, then we might see less investment in recharging infrastructure, which will then result in emission targets not being met, which leads to more penalties being applied to the car makers. Vehicles become more expensive, and then the cycle continues. If we continue on this cycle, we also might see a situation where rather than purchasing a new vehicle, consumers will hold on to their older technology longer, and as a result we have the perverse outcome of emissions increasing rather than falling.

Next slide, please. We are nearly there. Considerations for consumers when they are buying an EV – the total cost of ownership is important. It is not just the sticker price, the purchase price; it is areas around insurance, maintenance of the vehicle and the overall running costs, and we are seeing that the residual value of EVs is an increasing issue in the market. Second, and most importantly for consumers, does it do what I want it to do? Do I like the car? Does it meet what I want to do for my family, for my work and recreation? Do I want it? And finally, recharging infrastructure continues to be the area that appears to come at the top of the list in terms of building consumer confidence to move into these areas. Just today we have seen the *Age* run a story about charging infrastructure in the streets. We have seen the RAA in South Australia write to the government ahead of their election saying we should invest more in infrastructure. And just anecdotally, meeting with two prominent motoring journalists yesterday, without hesitation they said the biggest impediment is infrastructure.

Final slide. This is from the International Energy Agency. It shows the number of EVs per public charging point. If you look to the bottom, you will see Australia at 45. We are well behind the rest of the world,

according to the International Energy Agency, so uptake of recharging infrastructure is going to be critical to the development. But overall it is the consumers who are going to drive this change. We need to see an improvement in the confidence of the consumers to move to electrification and continue on that path. I will leave it there. Thank you very much.

**The CHAIR:** Wonderful. Thank you so much. Were there any other opening remarks?

**Melissa DIMOVSKI:** Yes. I might just make a brief statement, if that is okay.

**The CHAIR:** Of course.

**Melissa DIMOVSKI:** Thank you, Chair, and members of the committee for the opportunity to appear today. The AADA represents almost 3800 franchised new car and truck dealers nationally, and that includes more than 850 in Victoria. These businesses employ more than 17,000 Victorians, they contribute about \$5.8 billion annually to the Victorian economy and they sell more than 300,000 vehicles annually and complete over 10 million individual service, repair and maintenance jobs.

The automotive industry is currently undergoing one of the biggest structural transformations in its history, and the introduction of the Commonwealth's New Vehicle Efficiency Standard is expected to materially reshape the new vehicle supply landscape over the coming years, and that is by increasing the availability of lower- and zero-emission vehicles in the Australian market. While the NVES is designed to influence vehicle supply, the successful uptake of EVs will ultimately depend on how confident consumers feel in their ability to charge those vehicles in a way that is affordable and practical in their daily lives. In our submission we emphasised that franchised new car dealers are effectively the interface between EV policy settings and supplying the market and consumer – and particularly consumer charging – behaviour. Most consumers do not arrive at a dealership with a significant understanding of electricity tariff structures or even off- or on-peak charging and charging incentives or how EV charging even interacts with their home infrastructure or local network conditions. What we are seeing is that these conversations are happening on the showroom floor, during the delivery or handover of the vehicle, and then it is an ongoing experience throughout the ownership experience. This is where we see that these sorts of initial charging behaviours are formed. Without what I would call clear and practical guidance, consumers are often simply defaulting to charging it when it is most convenient for them. That typically looks like coming home in the evening, plugging in their car and charging, and that coincides with existing peak periods on the grid.

As the New Vehicle Efficiency Standard drives the increased availability of these EVs into the fleet, the way in which those vehicles are charged and that sort of management is going to be increasingly important. I think dealers are in a unique position to influence this behaviour through education and guidance at the point of sale, but dealers are doing this at the moment with limited resources or consistent or standardised information from electricity distributors and government as well. What we see is that charging availability still remains one of the strongest barriers to EV adoption. For consumers who live in older suburbs or units or areas without access to off-street parking, home charging really may become impractical or very expensive for them, and this results in a situation where consumers will often delay the purchase of an EV, opting for a hybrid option instead of a pure battery electric or a plug-in hybrid.

Franchise dealers are also directly involved in the rollout of EV infrastructure at their own sites. A couple of years ago we commissioned Energetics to undertake a study looking at the cost of investment required for franchise dealers, and the number came out to exceeding a billion dollars nationally. That is made up by individual dealership costs, where you are looking at \$130,000 for a typical regional dealer, and that can go all the way up to nearly \$600,000 for a rural dealer. That really does not even take into account the six- or seven-figure investments in the upstream grid upgrades that are often required to even be able to install that charging infrastructure in the first place. These investments are being made by dealers in anticipation of increased electrification of the fleet. That is driven by these supply-side mechanisms such as the NVES.

But despite these strong policy signals, we do often find that battery electric vehicles represent still a modest share of new vehicle sales, and hybrid technologies now account for a significantly larger share of the market; that probably reflects a consumer preference for transitioning into a technology to reduce emissions without relying solely on a charging network that the consumer probably does not really understand fully or even maybe trust is going to fit into their lifestyle. We commission a study every single year which surveys

consumers, looking at their willingness to purchase an EV; that has remained steady at around 39 per cent for the last two years. We see that often affordability and charging availability are consistently cited as the most common barriers to EV uptake. I think Peter also mentioned residual values, and that is a very important driver of consumer confidence. Two-year-old EVs are only currently retaining around 65 per cent of their new value compared to about 85 per cent for passenger vehicles overall, and then at five years EVs are retaining about 42 per cent of their value compared with 60 to 70 per cent for passenger vehicles overall. So this is sort of an increased risk that consumers perceive, and it often does act as a deterrent for first-time EV buyers.

In summary, we made a number of recommendations in our submission, and they are things like: targeted support for dealership-based consumer education, the development of a coordinated statewide EV charging rollout plan which incorporates dealers and how their charging infrastructure fits into that, and demand-side EV incentives – we have got the supply with the NVES and some on the demand side to get these people into these vehicles. We also did mention the establishment of an end-of-life stewardship scheme in a national sense. So, what we see is that successful EV adoption will depend not only on vehicle supply but on consumer confidence, charging availability, the affordability of these vehicles and then the usability of these vehicles. We – dealers and the AADA – stand ready to support this transition, and we do welcome further engagement with the committee. Thank you.

**The CHAIR:** Wonderful. Thank you so much for that. Were there any further opening remarks? Great. We will move into questions. Members, we have 5 minutes each, and we will have to keep pretty tightly to the timing, but if there is time we will go around with some extras. I will start with Mr McIntosh.

**Tom McINTOSH:** Thank you. Sorry, I missed your name on the TV screen. Melissa, is it?

**Melissa DIMOVSKI:** Yes.

**Tom McINTOSH:** Great. I might pick up with you, Melissa. How many kilometres a day would the average showroom car do?

**Melissa DIMOVSKI:** That is a good question. I guess it probably varies quite a lot, but if you are talking in terms of utilising that vehicle for sales and things like that, you are probably talking a low number of kilometres.

**Tom McINTOSH:** Let us say it is, I do not know, 30 or 50 k's, something like that, depending on how big an appetite people have to get in on that day of the week and all that sort of stuff, what traditionally have car dealers done to fuel their cars? Did they put bowsers in all of their showrooms or just go out to service stations?

**Melissa DIMOVSKI:** Yes, service stations – Mick, jump in if you want to answer any of these questions or you have any input, but yes. Generally.

**Michael McKENNA:** Member McIntosh, thanks for that and good to see you again after quite a few years.

**Tom McINTOSH:** Indeed, Mick. I saw you on the screen.

**Michael McKENNA:** Yes, very good. The reality is that what some of these cars can do is largely dictated, with demonstrators, by what the motor vehicle duty regime will say and what the State Revenue Office will say is a genuine use and not a genuine use. But largely they could do anything from 7500 kilometres in the first three months –

**Tom McINTOSH:** Oh, no, sorry – so divided by 90, yes.

**Michael McKENNA:** And divide that all the way through. That is their legislated allowance under the current scheme, which many dealers will argue is not enough for demonstration purposes. Then they have to start paying the motor vehicle duty on those vehicles and take them into stock, and they do not keep that exemption. But where the real problem is going to come, Member McIntosh, is when the potential for a road user charge comes into play.

**Tom McINTOSH:** Yes. Just to pick back up on this, I would have thought, let us say, even at 7500 divided by 90 days, the cars on the showroom floor are doing 80 k a day, so a trickle charger, a 10-amp point, plugged in – I imagine you have already got power points around your showrooms; yes, you may need to put in some

more, but those cars are not moving anywhere for a lot of the day. They are not moving anywhere overnight. I would have thought that the infrastructure to charge those cars was pretty low. It saves your staff having to go out and charge at a petrol station. Anyway, I do not know if you have got any comments on that, but the costs to upgrade seem quite high. I would not have thought you needed a 250-kilowatt fast charger for cars that are generally sitting on the showroom floor.

**Michael McKENNA:** If I can answer that: that may not be the case, Member, because you are competing also with charging consumer cars that are there for service as well, and cars that may be –

**Tom McINTOSH:** When I come in for a service, I do not expect my car to be topped up with petrol when I leave.

**Michael McKENNA:** Well, can I tell you something – that is a very good point you made, but you would be surprised what consumers expect in 2026 when it comes to electric vehicles. We see a reflection of that in what they call a consumer –

**Tom McINTOSH:** No, that is good – the key to life is expectations.

**Michael McKENNA:** And you know what, overdelivery is always better than underdelivery.

**Tom McINTOSH:** Indeed, as a Labor government has done for many years. Anyway, so we will carry on.

**Michael McKENNA:** And noted.

**Tom McINTOSH:** No, that is all right. Sorry, I was stirring Mick up. We have talked about Australia's lack of charging points. I fully support more charging points. I note that when you compare countries like America – they are just above us – and a lot of the countries up the top, Korea – I am not sure if that is South or North – Netherlands, wherever, they have a much lower, probably, number of homes with garages and that sort of thing. I think we have got more home charging infrastructure. We heard the other day 30 kilometres per day is the average distance travelled.

I just wanted to come back to Melissa on the education piece for your people working in sales, because I have heard anecdotally that salespeople, or car manufacturers, are putting an EV out the front, and this is over recent years and this is anecdotal, however there is either a deliberate attempt or maybe it is misinformed or misguided by the salesperson not being educated properly saying, 'Oh, there's the EV, but hey,' like everything you have just listed in the last 15 minutes, 'problems A, B, C, D, E, F, G. You could go the EV, but jump in the petrol car.' The mechanic gets it back in to get it serviced a heap more often, so it is more profit margin for the ICE vehicle manufacturers than what an EV would be with its much lower service requirement charges. I think you know what I was trying to say.

**Melissa DIMOVSKI:** Yes, I do. I am not aware of any sorts of experiences of that where they are sort of shifting people into particular fuel types or anything. When you think about EV charging or servicing an EV, it is actually not a lot less than what you would do with a typical car. They still have to be brought into the dealership. They are very, very sort of technology intensive. They are very sophisticated vehicles. You cannot really perform any work on an EV at home. So I would be surprised by that. But we are car dealers; we will sell you any car that you want, but the consumer is the one who makes the decision.

**Tom McINTOSH:** Just a very last, quick point I just googled: an ICE vehicle has a 55 to 65 per cent loss of value after five years. Does that sound right to you?

**Melissa DIMOVSKI:** Our numbers are slightly different. I would be happy to share. We do a study with a data provider. Every month we are tracking retained values right across the board. They look at all different listings. They look at dealer sales and private sales. I can come back to you and provide that information as well.

**Tom McINTOSH:** That is all right. But would it be fair to say you would expect a new, emerging technology like electric vehicles that have hit the market new, in early models, to have higher losses than will occur as they mature?

**Melissa DIMOVSKI:** Definitely, and we experience this with hybrids. This is nothing wrong with EVs. This is not an EV-specific problem. It is a new technology. Hybrids have the same issue, and now they have recovered quite significantly. They are actually retaining a lot of their value, so no doubt that will happen with EVs. It is just the timing. They are still a very new technology.

**Tom McINTOSH:** Great. Thanks, Melissa. Thanks, everyone.

**The CHAIR:** Thanks, Mr McIntosh. We will go to Ms Broad.

**Gaelle BROAD:** Thank you very much. I appreciate your contribution to the inquiry. We had one person in the last hour and now, yes, we have got a few more, so it is challenging. Because I am in a regional area, I guess I have heard comments from different car dealers, but can you just expand on what this has meant to businesses on the ground with the investments they are making and people being employed to service the vehicles? What are you hearing from your members?

**John KHOURY:** Do you want me to answer?

**Melissa DIMOVSKI:** Sure.

**John KHOURY:** Our members basically – it depends obviously on the location – are between a rock and a hard place in regard to whether they, you know, go the investment now or later, because the demand in regional areas is not quite that high at the moment with EVs. There are different applications as well, because you have got rural and regional towns. It is more about when they make that investment in their workshops; some are already doing it in regard to workshops, upskilling, training. That has been driven by the recently announced department of transport licensed vehicle testing scheme. If they want to do roadworthies on an electric vehicle, then they must undertake training, so we are seeing an increase in demand in that regard.

**Gaelle BROAD:** Did you mention costs earlier of up to \$600,000 for a dealer to upgrade their facility?

**Melissa DIMOVSKI:** That was me.

**Gaelle BROAD:** Yes, thanks, Melissa.

**Melissa DIMOVSKI:** We did, and that is a figure that obviously will apply differently depending on your site and where you are located, and that is an average figure that the consultants came up with. It sort of reflects often a much lower energy infrastructure availability in these sorts of rural sites. You are looking at sort of single-wire infrastructure and things like that, which often makes the cost much more extensive than if you are in a regional area or a metro area and going to install even fast charging or anything like that.

**Gaelle BROAD:** The government, certainly I know federally, has lots of penalties in place for manufacturers when it comes to EV production, but has there been any support for car dealers with the focus on EVs?

**Melissa DIMOVSKI:** Yes, there has. The federal government has a scheme that provides rebates for dealers to install charging infrastructure. That has been very helpful. It is just, you know, a matter now of being able to take advantage of that and then install that infrastructure. We do find sometimes that installing charging infrastructure at a dealership can often be limited by what is even available, because it is sort of done – and I am not an electricity distributor, so I do not want to go into a space that I am not an expert in – but it is first come, first serve a lot of times. If there is already quite extensive power draw in one area, maybe there are quite significant or costly upgrades that need to occur in that particular area to install charging requirements that potentially the OEM dictates or that the dealer feels is necessary for their customers or their commercial reasons.

**Gaelle BROAD:** We have definitely heard that about the limited capacity, and I think the timeframes for some of these charging stations in Victoria can take a couple of years. In New South Wales we have seen the same thing take six months, so it seems quite different. Melissa, I just wanted to know too, are your members reporting that managing end-of-life batteries in collaboration with manufacturers will not be sustainable as EV uptake scales? Can you expand on that?

**Melissa DIMOVSKI:** I think it is really about producing a scheme that is nationally managed to support dealers, because I guess the risk that we see is that dealers end up sort of as the collection point for lots of EV batteries. People come in, maybe their vehicle is at the end of its life or, you know, something has gone wrong with it. That battery in that vehicle is sitting there, and we need a process to be able to manage that, get that into a recycling facility – something very structured to assist dealers in knowing how best to manage this. We do not want – I do not think you would end up in this situation with it – sort of just mismanagement of EV batteries.

**Gaelle BROAD:** So I guess you are not surprised at the moment if resale values drop, because there is not that continuity from car dealers being able to speak with customers about what is next for the resale.

**Melissa DIMOVSKI:** In terms of the retained value, I think it is just a symptom of the new technology and it not being something that everyone is familiar with. It is not like a petrol car where you kind of just know, you know, when you get into this vehicle you know what it is about. It is just a new technology, and that will certainly change.

**Gaelle BROAD:** Thank you.

**The CHAIR:** Thanks, Ms Broad. Ms Copsey.

**Katherine COPSEY:** Thank you. One issue that has come up with the uptake of vehicle-to-grid technology is a barrier that exists with automotive manufacturers providing a warranty for that use of the car. Can you tell me where your members are sitting in relation to that, and are you advocating for them to make that available to the consumers? Whoever wants to take that.

**Michael McKENNA:** Probably one for Peter, I think.

**Peter GRIFFIN:** Yes, I thought that might be for me.

**Katherine COPSEY:** Thanks, Peter.

**Peter GRIFFIN:** The simple answer for that is it is a work in progress. Some of the vehicles that are coming into the country do have that capability now. What is important is a set of national standards to ensure that there is confidence across all providers and across all states, given that OEMs bring cars into the country, not just for Victoria but for every part of the country, just to provide a level of certainty in terms of how it is going to link with the grid and how the two-way switch will work. So there is no doubt that from a future capability point of view this will continue to increase, and it is something that will be of benefit to consumers and ideally to the energy network in the longer term. I can tell you that our members are working on it on an individual basis in terms of how they make it available, when they switch on the software, and they have, as I say, that level of confidence in the standards. But it is coming.

**Katherine COPSEY:** Thank you. It is a national standard that is under consideration, I believe, or has been adopted? And the states will need to take that up, so that would be work for the state government to do.

**Peter GRIFFIN:** State governments will have a role to play, most definitely, both in terms of the standard and also their own respective electricity networks.

**Katherine COPSEY:** Thank you. Can you give me some guidance on how Australia's vehicle emissions standards compare to international vehicle emissions standards? I think we have been a little bit slow on the uptake on this one. Do other nations have standards that require lower emission vehicles than Australia?

**Peter GRIFFIN:** This is a very challenging question to answer right now. There is no doubt that Australia was 10 years behind in terms of introducing an emissions standard. As I said, the FCAI and its members were advocates for a standard for some time, even to the point of, in 2020, introducing a voluntary standard. I acknowledge that that did not have consequences or penalties, but it was to introduce the concept to our members. However, since our standard has been introduced – certainly the targets are very stringent, they are very challenging and the industry is trying to respond – there is no doubt in the first year the supply of EVs has increased. Across the world, though, it is changing rapidly. In the United States we have seen the US government step back from emissions standards in recent times. We have seen countries across Europe starting to reassess what their standards will be, and similarly in the UK, as the take-up of EVs is not as significant, not as fast as was expected. This is flowing through also into the production of EVs, where some manufacturers are

redirecting their investment into other areas of their operation and away from EV production. That is a concern for Australia, because we do not have a car manufacturing industry anymore, so we are a technology taker. We have to take the products that are being built offshore. As this continues to shift, it is going to make it an increasing challenge for what will become available, so it's variable.

**Katherine COPSEY:** I did have one more question in my last minute. There have been a lot of reported issues with the real-world performance of hybrids in terms of their fuel consumption and emissions compared to the lab-tested and advertised efficiency. This is a concern, obviously, because we want consumers to have accurate information on which to base their vehicles' performance and fuel costs. What are you doing to encourage your members to provide consumers with accurate information about real-world consumption of fuel for hybrid vehicles?

**Peter GRIFFIN:** It is a question that applies to all vehicles in terms of real-world testing versus mandated laboratory tests. Every car coming into the country will undertake a laboratory test. It is a consistent test. Everybody knows what the baseline will be. The real-world testing, also funded by the federal government, we think adds confusion into the system because of the variabilities that may be involved in the real-world testing – where a vehicle is being driven, how it is being driven, what the temperature is, what the road conditions are and so on. So in our view right now the real-world testing adds a layer of complexity and concern for the consumer – and confusion – whereas with laboratory tests, even if the numbers may be slightly different to the real-world test, it is a common test across all brands, and consumers are able to compare apples with apples rather than apples with oranges.

**Katherine COPSEY:** Thank you.

**The CHAIR:** Great. Thanks, Ms Copsey. I will go to Mr Berger.

**John BERGER:** Thank you, Chair, and thank you all for your appearance this morning. I suppose my question is directed to more Peter and Melissa, and I am interested in the EV uptake issues. Having the benefit of sitting in this inquiry, I have learned a lot about electric vehicles that I would not have ordinarily heard about, but there are certainly a number of issues or topics that we have spoken about that I suspect the normal person might glaze over in terms of tariffs and things like that. I just wonder, to increase the uptake of EVs across the country –

If I look at some of the current advertising of vehicles that exist today, it does not resonate with me given you are not actually talking about the vehicle and what it can do; you are more focusing on the people that get in it. I just wonder: if people understood more about what the potential is of an electric vehicle, how that might increase the uptake.

**Peter GRIFFIN:** I will go first, Melissa, if you like, just from an OEM perspective. Look, how our members choose to market their vehicles is entirely up to them. Certainly they have an interest in moving the product, so if a vehicle has landed in Australia, the intent is to sell it. They will find a way to meet the market as best they can. It is certainly acknowledged that work needs to be done in terms of the education piece and bringing people up to speed with the capability of the vehicle: how it runs, total cost of ownership et cetera. I can certainly take that on notice. I can take that and pass that on to our members, but they will market as they see fit.

**John BERGER:** But surely your own research that you have shown us today – in the top 10, not one EV vehicle is in there.

**Peter GRIFFIN:** That is quite a historical figure in terms of choice, particularly over the past 10 years that consumers have moved to this type of vehicle. EVs are a new technology. We did have a spike in 2022–23. We certainly encourage a further uptake of EVs, but this is where the consumers are choosing to buy. Now, note also that in that SUV number there is an increasing number of electric, depending on the size of the vehicle, and plug-in hybrid in the larger ute size. Those numbers will continue to change as battery technology improves and cost is reduced.

**John BERGER:** Melissa, have you got any thoughts on my comments?

**Melissa DIMOVSKI:** Yes. I will just briefly add that I think exactly what you mentioned – this sort of information or lack of information about tariffs and the charging altogether. People are going to be in the market for a new car, and they are going to come into the dealership for a new vehicle. Those sorts of other considerations probably do not come in until they have decided that they want an EV, and then it is really an interaction between the salesperson and the consumer – and salespeople are not experts in these sorts of electricity areas. So I think it is really, really important that we start giving them the tools to be able to give consumers the right information in terms of: ‘What this vehicle is going to look like for me in my life and how I am going to charge it, how I can make the most out of it?’ – all those things we have mentioned before, the grid and incentives and things like that.

**John BERGER:** Thanks, Chair.

**The CHAIR:** Thank you, Mr Berger. My first questions are for Melissa and Michael as well. You have spoken a bit about incentives in your recommendations, and I was just wondering if you could speak a little bit to those and if you have any examples of how well they have worked in the past.

**Melissa DIMOVSKI:** Yes, sure. Our comments around incentives are that we have got a supply-side measure coming into the market, bringing a lot more low- and zero-emission vehicles into the market available for consumers to purchase. The next step to that is being able to get consumers to actually make the move into that, and the NVES will assist that. It is going to help drive consumers into that. But we have seen internationally – and I can certainly take that on notice and come back with very detailed examples – there have been quite a lot of demand-side incentives that have been put in place in conjunction with the introduction of different supply-side measures. So it is really about giving the consumer the incentive – if I am in the market for a new car, what do I need to be able to make that decision to get into a battery electric vehicle?

**The CHAIR:** Great. Thank you so much. And then just a question for Peter, if that is okay: you speak in your recommendations about the need for a communications strategy or campaign to shift behaviours and charging habits. Do you have any examples of how this can be done or what we could recommend that the government could assist in to make this happen? It does seem to be one of the biggest barriers for people who want EVs, who have those fears around whether they have the time in the day and where they will be able to do it and the accessibility issue. I would be keen to hear more about how you think this would work in practice.

**Peter GRIFFIN:** Thank you, Chair. I would say that one of the pathways for that already exists for governments across the country to be taken up. The ministerial council for climate change ministers in November 2024 agreed to have minimum operating standards for government-supported electric vehicle charging infrastructure: where is it, how does it work, what does it cost, is it available, is it broken – a range of factors. Information such as that across the country, delivered in a consistent way by state governments, would be a significant step forward in providing consumers with that simple information and provide confidence that they can drive and that they can recharge confidently and comfortably and cost effectively.

**The CHAIR:** Great. Does anyone have any other questions?

**Tom McINTOSH:** A very quick one. I just wanted to check: on that list of top 10 vehicles for 2025, which I think was utes, is BYD Shark not in there? According to Google it was a top 5 selling ute in Australia in 2025, but that could be wrong. I just had a google.

**Peter GRIFFIN:** This is as of December 2025. On a month-by-month basis, if I was to pull out the figures for January and February for this year, I think we would find the BYD Shark performing quite creditably, but this is as at December. As a new entrant to the market, it is a fairly new model for the market, so it is still yet to make its mark on the longer term.

**Tom McINTOSH:** Okay. I just wanted to check that, because I was sure I read somewhere that it was one of the biggest sellers in 2025 – top 5 or something. I just wanted to check that. If you are confident on that, that is fine, but if we take it as evidence, it would just be good to be sure.

**Peter GRIFFIN:** Yes, these numbers are taken directly from VFACTS, which is the monthly figure.

**Tom McINTOSH:** Yes, that is good. Thank you very much.

**The CHAIR:** Thank you. Ms Broad.

**Gaelle BROAD:** I was just interested with emissions, because EVs are often referred to as low emissions, but it was a car dealer that informed me that when you have an EV next to an ICE vehicle the emissions are much higher for the electric vehicle to be produced, when you are sitting in a showroom and it takes a long time to sort of break even. Is that a concern that is raised by people? Do you hear much on that?

**Peter GRIFFIN:** From an OEM perspective, no, not particularly. It may be something more for Melissa.

**Melissa DIMOVSKI:** Yes. You do anecdotally hear people talk about the whole-of-life emissions of the vehicle. But in terms of what we are looking at at the moment with the NVES and things like that, it is all done on the tailpipe emissions. So, yes, it is definitely something people probably consider, but I am not sure it is a widespread view. But it is definitely part of the considerations that consumers may have.

**Gaelle BROAD:** Thank you.

**Michael McKENNA:** Those considerations will tighten considerably the closer we get to 2029 when those emissions become really stringent. For instance, you will see that Isuzu, who have met their obligations in the past year, may have a bit of a different tale to tell, pardon the pun, in a year or two's time when the level of vapes per 100 grams, or whatever the case may be, rises.

**The CHAIR:** Great. Thank you so much. Did members have any further questions? Well, that is about on time anyway.

**Michael McKENNA:** Can I just say that we have a standing offer, and I am sure Anthony from VACC will be of the exact same view, for members to visit. We can take you on tours of dealerships that paint the true story – nothing better than seeing with your own eyes – in any part of Victoria, particularly out west where the infrastructure costs from kerb to dealer is close to the seven-figure mark, more than the \$600,000 mark, and the red tape associated with getting that installed is just mammoth. You add that cost again, it is an intangible. If the committee does have any interest in visiting dealerships in their area, we can certainly coordinate it and host it with you.

**The CHAIR:** Yes, of course.

**Gaelle BROAD:** Yes, I would be keen on that.

**The CHAIR:** I was going to say thank you for the offer, Michael. In fact we are almost at the end of the term and we have failed to go on a committee excursion, unlike the others, so it might be the time. We will discuss it as a committee, and we will certainly get back to you if we want to take it up or if some members want to come. I think Mr McIntosh might have one comment or question.

**Tom McINTOSH:** Yes, just a comment. You just said red tape. If you did have anything for the committee to consider as far as barriers to your dealers getting electrical infrastructure upgrades that they need goes, please feel free to send it through. We have not talked about it in this session, but we have had a lot of talk about distributors effectively taking years to connect, whether it is EV charging infrastructure like kerbside, but if it is similar for you to get upgrades and infrastructure put in, that is something we would be very keen to hear about, I would imagine.

**The CHAIR:** I agree.

**Michael McKENNA:** A massive problem in the west, so no problem.

**The CHAIR:** Thank you so much, everyone, for taking the time to appear before us today and making submissions to the inquiry. You might receive some follow-up questions from members if they submit any on notice, and they will come through the committee staff. But that concludes the public hearing for now.

**Witnesses withdrew.**