Inquiry: Inquiry into Electricity Supply for Electric Vehicles

Hearing Date: 27 February 2026

Question[s] taken on notice

Directed to: Australian Automotive Dealer Association

Received Date: 25 March 2026

1. **Tom McINTOSH, page 18**
   Question Asked:
   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.

   Response: All vehicles depreciate over time due to a range of factors, including kilometres travelled, condition, demand in the used market, the cost and availability of new vehicles, and broader shifts in consumer preferences.

   As a relatively recent entrant to the market, electric vehicles (EVs) have not yet established consistent depreciation patterns. However, early data suggests that some EVs have depreciated more rapidly than comparable internal combustion engine vehicles.

   Heavy discounting of new vehicles can accelerate depreciation in the used market for the same make and model. Similarly, model changes or discontinuation can also impact resale values.

   The Australian Automotive Dealer Association (AADA), in partnership with industry data analysts AutoGrab, publishes the monthly Automotive Insights Report (AIR), which includes analysis of used vehicle depreciation trends.

   The February 2026 AIR shows that used battery electric vehicles retained, on average, 48.9% of their original recommended retail price (RRP) after five years (2021 cohort). In comparison, used passenger vehicles across the total market retained an average of 79.8%, SUVs 74.1% and LCVs 76.3% of their original RRP over the same period.

   It should be noted that used EV sales volumes remain significantly lower than those of the broader passenger vehicle market, which may influence these results.

   February AIR

2. **The CHAIR, pages 22**
   Question Asked:
   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 those vehicles, and the NVES will assist that. It is going to help drive consumers. But we have seen internationally – and I can certainly take that on notice and come back with very detailed examples –

   Response: The AADA supports demand-side incentives to encourage consumers to purchase zero and low emission vehicles. While the New Vehicle Efficiency Standard (NVES) will influence the types of vehicles supplied to the market, overall outcomes will ultimately depend on consumer acceptance and the availability of suitable vehicle options.

   Where incentives have been introduced, including purchase rebates and tax concessions, consumer uptake has responded positively. If governments are seeking to achieve ambitious targets for zero and low emission vehicle uptake, demand-side incentives will remain a necessary complement to supply-side measures. Sustained consumer demand across all segments of the market will be critical to the success of the NVES and to minimising unintended consequences for both dealers and consumers.

   The AADA considers that the next phase of EV policy should focus on broadening access to incentives rather than prematurely withdrawing support. While existing measures have helped drive early adoption, there is an opportunity to design incentives that are better aligned with real-world purchasing behaviour.

   Future incentive settings should be accessible to private buyers, small businesses and regional consumers, operate at the point of sale where possible rather than through the tax system, and support both new and used EV markets to improve affordability and improve vehicle turnover.

3. **Tom MCINTOSH, page 23**
   Question Asked:
   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.

Response:

A major Dealership group in outer western metropolitan Melbourne has absorbed costs between $600,000 - $700,000 to upgrade their capability to upgrade their electricity supply in order to install DC Chargers. The issues are compounded with the electricity provider in that region not having streamlined processes available to make the end-to-end process as simple as possible. Delays of over 12 months have been experienced.

This experience is consistent with broader industry findings. In 2024, the AADA commissioned a report to assess the cost implications for dealers installing EV charging infrastructure. A key barrier identified was the need for significant upgrades to grid connections in some locations, often at substantial cost to the dealership.

The Electric Vehicle Charging Infrastructure Guidance Report, prepared by energy and climate consultants Energetics, examined the impacts of the transition to low emission vehicles (LEVs) and electric vehicles (EVs) on Australian automotive dealerships. The report was designed to help dealers understand the scale of investment required to upgrade facilities to support the sale, servicing and charging of EVs.

Energetics' analysis found that total infrastructure investment across franchised new car dealers is expected to exceed $1 billion nationally. At the individual dealership level, capital costs were estimated to range from approximately $130,000 for a typical metropolitan site to $580,000 for more complex or constrained locations.

The AADA commissioned report is available here:
https://www.aada.asn.au/wp-content/uploads/2024/04/2024.04.10-Electric-vehicle-infrastructure-guidance-report.pdf