

Transition to electric vehicle inquiry – VACC's recommendations to Government

Dear member

Many of you would be aware of the Federal Government's proposed New Vehicle Fuel Efficiency Standard (NVES), which aims to reduce vehicle emissions over time and is due to come into effect from 1 January 2025. The introduction of the NVES will result in an unheralded transformation of the automotive retail and aftermarket repair sector.

Transformation is a term often grasped with new opportunities and evolution, which is a staple in the automotive repair sector having transitioned through various technological changes in the past century. The transition towards electrification of the vehicle fleet, however, will result in some challenges. It's important for government to understand these challenges and, where possible, provide support to industry along this journey. Without this support, government may fall short of their stated targets and objectives.

Last week VACC provided a submission in response to the House of Representatives' Standing Committee on Climate Change, Energy, Environment and Water's inquiry into the transition to electric vehicles (EVs).

The submission responds to the inquiry's terms of reference and offers seventeen recommendations as they relate to incentives, skills, training, charging infrastructure, taxation, the circular economy, EV conversions, parts supply and total cost of ownership.

[Click here to view Submission](#)

VACC's key recommendations include:

- that automotive retail businesses are incentivised via tax offsets or carbon credits to invest in new tools and safety equipment for electric vehicles, including new hoists and safety equipment for workers.
- that a New Vehicle Efficiency Standard (NVES) for Australia must be part of a broader package of incentives aimed at improving the affordability, demand and supply of EVs, including price subsidies, tax credits, rebates and other incentives.
- that the Federal Government to have a greater focus on addressing the chronic skills shortage of EV technicians and automotive trade professionals in general.
- that the Federal Government boost employer incentives to upskill the existing automotive trade workforce, including funding for EV apprenticeship training.
- that the Federal Government expand eligibility criteria for the installation of EV charging stations and charging ports, with greater exemptions or incentives for regional Australia to allow for automotive retailers such as dealers, aftermarket service and repair workshops and service stations to apply.
- that the Luxury Car Tax (LCT) be abolished to stimulate sales of zero and low emission vehicles and improve reductions in vehicle emissions.

VACC thanks all members who have participated in member surveys, interviews and meetings, which has all contributed to VACC's advocacy to state and federal governments on how industry should be best supported as it transitions.

Should you have any questions related to the submission, please feel free to contact Dr Imogen Reid, Lead, Strategy and Policy ireid@vacc.com.au or John Khoury, Industry Policy Advisor jkhoury@vacc.com.au

John Khoury
Industry Policy Advisor