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Ombudsman

28 October 2022

Department of Climate Change, Energy, the Environment and Water Emissions reduction  
02 6213 6000  
Canberra, ACT, 2600

**via email:** [NEVS@industry.gov.au](mailto:NEVS@industry.gov.au)

Dear Sir/Madam

National Electric Vehicle Strategy: Consultation Paper

We welcome the opportunity to comment on the National Electric Vehicle Strategy: Consultation Paper. We are concerned the consultation paper currently misses an opportunity to engage Australia's small business sector. Considering businesses with less than 20 employees contribute 32.7% of Australia's GDP, and employee around 42% of Australia's workers, targeted support for, and engagement with, the sector is important in achieving change at the national level.

Many small businesses will be impacted by the National Electric Vehicle Strategy (the Strategy), and ensuring they are adequately supported will promote its efficacy. As such, we make the following comments.

- 1. Industries with a high salience of small businesses need targeted support.** For example, industries impacted by the Strategy that are disproportionately made up of small businesses include mechanics and petroleum stations. Ensuring small businesses in these industries receive adequate training and education will assist to mitigate the costs associated with owning and maintaining an electric vehicle (EV). We acknowledge the consultation paper seeks to address industry's capacity to support EV ownership, as part of this consideration should be given to understanding the unique requirements of small businesses.

Ensuring small businesses have access to the servicing and repair market is critical to ensuring adequate competition. This office has previously raised concerns over car manufacturers requiring the use of manufacturer branded mechanics for consumers to maintain their warranties, potentially reducing small business access to the market. Ensuring a competitive market for EV repairs and servicing is key to long term affordability for consumers.

- 2. Petroleum and service stations provide an opportunity for Government to leverage an existing network in the implementation of new EV infrastructure.** EV charging infrastructure presents as a significant barrier to uptake in Australia. Other countries such as Germany have successfully delivered EV charging stations through public and private partnerships such as investment matching. Ensuring that Australia's power grid can sustain the amount of electricity required to charge multiple electric vehicles is essential to driving EV uptake in the country.

The existing network of petroleum and service stations could be supported to offer charging stations as well as other infrastructure requirements necessary to supporting a national EV fleet, such as that required for heavy electric vehicles (HEVs) that have a



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specific set of infrastructure requirements. For example, it is expected HEVs will either need to charge overnight, or have their battery replaced to best support travel. As such a reliable network of service stations offering such services will be necessary for the successful roll out of HEVs. Effective engagement with the relevant industry bodies will assist to facilitate the transition to EV services and minimise the infrastructure costs inherent to the adoption of EVs.

- 3. Consideration should be given to increasing the instant asset write off car limit for EVs.** In the 2022-23 financial year, the instant asset write off scheme (the Scheme) limits car purchases to \$64,741. While the Strategy goes some way to driving down the cost of EVs, increasing the instant asset write off car limit for EVs will support small business uptake. Furthermore, increased research on the depreciation rate of EV batteries and how this might affect car prices may assist in setting the appropriate amount claimable under the Scheme.

The uptake of EVs is an important step in achieving Australia's emissions reduction target. However, sufficient support and incentive through the transition is critical. Consideration should be given to leveraging these opportunities to increase EV uptake by providing through the small and family businesses sector.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Lachlan Bayliss on 02 5114 6131 or at [lachlan.bayliss@asbfeo.gov.au](mailto:lachlan.bayliss@asbfeo.gov.au).

Yours sincerely

**The Hon. Bruce Billson**

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