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Standing Committee on Planning, Transport, and City Services
ACT Legislative Assembly
GPO Box 1020
Canberra ACT 2601

Via email: LACommitteePTCS@parliament.act.gov.au

Dear Planning, Transport and City Services Committee

Submission to Inquiry into EV Adoption in the ACT

ACT Council of Social Service (ACTCOSS) is pleased to make a submission into the Inquiry into EV Adoption in the ACT. ACTCOSS advocates for social justice and represents the community sector in the ACT.

ACTCOSS welcomes the ACT Government's decision to phase out internal combustion engines from 2035. Climate change disproportionately impacts people who face disadvantage including people on low incomes, people with disability, people with chronic health issues and Aboriginal and Torres Strait Islander peoples, and the Territory's transition to zero-emissions vehicles (ZEVs) is a positive step toward climate change mitigation.

We know that people on low-incomes are most impacted by climate change, but also the most impacted by transport inequality. They are more likely to live farther from public transport and community hubs, more likely to be time-poor, more likely to travel outside of peak hours and more likely to rely on private transport.

However, much more is needed to support people on low incomes to access affordable and climate friendly transport and energy solutions. We welcome extension of stamp duty exemption to include second-hand ZEVs, but for people on low incomes, a ZEV is out of reach even with the incentives in the ZEV strategy. Further, the second-hand ZEV market is in its nascency without proper regulation and checks to ensure that consumers are protected against risks, such as limited

battery life, and can access to affordable and reliable insurance products when purchasing second-hand electric vehicles.

Research on similar rebate and incentive programs in the United States showed that these programs disproportionately favoured those on the highest incomes. For example, by 2015, households in the US had received \$18billion in rebates and tax credits for installing solar panels, buying ZEVs and other 'clean energy' investments. The top income quintile received 90% of these funds and the bottom three quintiles received 10%.¹ This grossly disproportionate split was present across all funds targeting ZEV uptake in the US.

The research also showed that more than half of people purchasing a ZEV said the schemes made no difference to their plans or ability to obtain the vehicles. Given that high-income consumers are more likely to purchase a ZEV *without* an incentive or rebate, prioritising these households is an inefficient use of government spending.

It is likely only a matter of time before the cost of ZEVs is on par with non-ZEVs, and for people on low incomes the more pressing barriers to uptake include running costs and infrastructure availability. Many people on low incomes rent their homes and/or live in multi-unit complexes and are unable to instal chargers. The ACT Government should prioritise resources for building accessible and widespread infrastructure, rather than subsidising high income households to buy what is likely their second car.

Any investment in policy relating to ZEVs and supports to access low-emissions vehicles should be targeted toward low-income households, as these are also the families who are most impacted by rising costs of fuel and the least able to make the transition without assistance. Support must include plans for affordable and easy access to charging infrastructure, including ensuring all new multi-unit developments are fitted with capacity to charge electric vehicles and investments to support community sector organisations to transition to ZEVs.

We need policy addressing the impacts of climate change, but that policy must not perpetuate inequality. The current investment in subsidising electric vehicles for some of the wealthiest people in Canberra has not achieved the right balance of priorities.

If resources to invest in the transition to sustainable and climate friendly energy solutions are scarce, then they must be targeted toward those on the lowest incomes. Practically, this means prioritising policies such as improving the energy efficiency of housing in particular sectors of the housing market where people on low incomes are overrepresented including rental properties and social and affordable housing.

Public money used to support the transition to net zero must be targeted to those who need it most and those that are most impacted by being left behind. We urge

¹ Nguyen, J. 'The Adoption of Zero-Emissions Vehicles by Low-Income Consumers in California: An outcome evaluation of the clean vehicle rebate project' San Jose State University, 2020, accessed 23 August 2022.

the ACT Government to consult more widely and put people with the least at the centre of policy design. If we get the policy settings right, we can rapidly cut emissions *and* create a safer and fairer society.

Yours sincerely

A handwritten signature in black ink that reads "Campbell." The signature is written in a cursive, flowing style.

Dr Emma Campbell
Chief Executive Officer

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