

EDITORIAL

Minns government makes EVs a hard sell but here's a drive away special



The Herald's View

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Few doubt electric vehicles are the future but NSW Treasurer Daniel Mookhey's attempt to hold back time by scrapping the \$3000 subsidy for drivers who buy new electric vehicles from January 1 is an example of backward policy already rendered redundant by an entrepreneurial Sydney company offering the same discount to EV buyers.

The EV decision in the Minns government's first budget follows Victoria's lead, and is a significant shift from NSW's current electric vehicle policy. While not unexpected, it also means the end of rebates for EV purchases and stamp duty exemptions, although some motorists may benefit thanks to the government's move to back more charging stations in regional NSW.

The cut was sold as saving money while at the same time getting rid of a subsidy that, in the EV-versus-petrol/diesel debate, is painted as middle-class welfare. Now Australia's largest importer of second-hand electric vehicles, the Good Car Company, has driven ahead of government policy and is offering the \$3000 discount on its means-tested cheaper range of EVs to lower-income households for the next month. Higher earners will be offered a trimmed discount rate.

Just as the West Australian billionaire Andrew Forrest has taken aim at the [British government's sudden embrace of fossil fuels](#), warning that he would start pulling out investments "if I see this country steering itself over a cliff backing fossil fuels", the Good Car Company's co-founder Anthony Broese van Groenou believes the budget cut was a stupid business decision on the government's part.

“The thing to understand is that a \$3000 subsidy that gets somebody into an EV, will save them thousands of dollars every year. A \$3000 subsidy can provide \$15,000 worth of benefit over a five-year period, and that is money that totally changes their cost of living,” he said.

The EV decision has the potential to make another Australian government appear the willing dupe or handmaiden of the powerful Australian car industry. Australian car yards are littered with petrol and diesel-driven vehicles and the delay on getting popular new brands of hybrids and EVs can be long: you’ll have to [wait more than five months for Toyota’s](#) most popular vehicle, the Hilux.

EV sales jumped 121 per cent last financial year, but car manufacturers are still offering limited choices to Australian drivers. This is at the same time as cheaper Chinese EVs are spreading over Asia. There are so many in Europe that [the European Commission, concerned the global auto industry was being overrun](#) by cheap Chinese vehicles, has started an investigation into China’s car subsidies.

Here, the local car industry is campaigning to delay the transition to electric vehicles, which also hampers a key part of the nation’s climate change plans and could leave us with some of the world’s weakest carbon emission rules.

The campaign was developed by the Federal Chamber of Automotive Industries, the peak body representing 39 auto brands. However, the organisation’s membership is based on market share, and while many companies support the introduction of EVs, [the bigger manufacturers, such as Toyota, with massive investment in petrol and hybrid cars, hold dominant roles and are pushing for the status quo for decades to come.](#)

With widespread agreement on the growing and urgent need to move from petrol and diesel to EVs, federal and state governments should promote and facilitate the change. While the environmental issues associated with the old technology are blatant, EVs have been the target of sustained and negative rumours about their performance and resale value in much the same way Swedish cars were once lampooned in Australia for their safety innovations. The NSW budget move against EVs ignored the obvious: essentially, until these vehicles are cheaper people will not buy them.

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