

Tasmania's Draft Climate Change Action Plan 2023-25

Submission by
Hyundai Motor Company Australia

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1. Executive summary

Hyundai Motor Company Australia (HMCA) welcomes the opportunity to make this submission to Tasmania's Draft Climate Change Action Plan 2023-25 (the action plan) consultation process.

As a leading manufacturer of eco-friendly mobility, our submission focuses on the support required to drive adoption of zero emission vehicles (ZEVs) and their infrastructure in Tasmania and the important role the Tasmanian Government can play in this regard.

HMCA has been collaborating with the Tasmanian Government for many years as it seeks to expand the ZEV market. We believe Tasmania holds enormous potential to lead the country in its ZEV transition underpinned by its national reputation for clean energy.

We are highly encouraged by the progress of the Tasmanian Government to date in supporting the adoption of ZEVs in the state, including through:

- Committing to a 100% ZEV government vehicle fleet by 2030
- Assisting Tasmanians to purchase a ZEV by waiving stamp duty until mid-23
- Supporting Metro Tasmania to deliver trials of battery electric and fuel cell electric buses

This support is paying dividends with the number of EVs on Tasmanian roads doubling since late 2021, to now over 1,600 vehicles at the end of January 2023. This is a practical demonstration of the real-world impact government policy can have on driving EV uptake.

It is our belief that a coordinated and aligned ZEV strategy will stimulate even greater consumer demand and deliver more benefits to Tasmanians. The action plan presents an ideal platform to facilitate this through new projects, funding support and policy measures aimed at achieving the mass adoption of these vehicles and genuinely address the transport emissions challenge facing the state.

2. Introduction to Hyundai

Hyundai Motor Company, based in Seoul, South Korea is one of the world's largest automotive companies by sales volume selling 3.94 million light vehicles globally in 2022. We are part of a broader Hyundai family of companies that also produce heavy vehicles, steel, robots, ships, trains and infrastructure.

HMCA is a wholly owned subsidiary of Hyundai Motor Group. We are headquartered in Sydney with a dealership network of 164 dealers nationwide. In 2022, we sold 73,345 light vehicles, making us the number four automotive brand in Australia by volume.

Hyundai is a global leader in the development of ZEVs. We were until recently the only automotive company in Australia to offer all four EV technologies [BEV, FCEV, plug-in hybrid (PHEV) and hybrid (HEV)], placing us at the forefront of the country's transition to low and zero emission vehicles.

We currently sell BEV, HEV and FCEV, the only brand in Australia with this broad range of ZEVs – a range that is being constantly reinvented and improved as we transition to a zero emission transport future.

In addition, our sister luxury brand, Genesis, in an unprecedented move recently launched three BEV's in parallel in 2022 – the GV60, Electrified GV70 and Electrified G80.

Hyundai is currently preparing for the launch of the brand's fourth BEV in Australia, the IONIQ 6, which is scheduled for release in the first half of 2023 and will feature a driving range of up to 610km.

We believe decarbonising our model portfolio represents responsible business practice and ensures our company makes its contribution to Australia's economy-wide emissions objectives, in line with our global goal to reach carbon neutrality by 2045.

3. Our response

HMCA's response to the consultation questions proposed in the action plan are outlined below. We would also welcome the opportunity to elaborate on these responses with the Tasmanian Government.

Question 1: Do you agree with the proposed vision and goals for the action plan? Which goals are you most supportive of? Are there any other goals that should be considered?

HMCA supports the proposed vision of the action plan, that is by 2030 Tasmania will have reduced its emissions and built its resilience to the impacts of a changing climate.

We also support the single ZEV transport goal outlined in the plan – a 100% EV government fleet by 2030 – and believe this is a realistic and important target.

While the achievement of the goal will demonstrate government leadership and increase supply of second hand EVs, a second target is also required for Tasmania's wider vehicle fleet – that is vehicles operated by the general public and business – if the state is to make a meaningful difference to transport emissions.

We understand the Tasmanian Government light vehicle fleet is approximately 1,800 vehicles. With around 516,000 cars registered in Tasmania 2021, this represents only 0.3% of vehicles.

To address this gap, we recommend the following targets be introduced:

- EV sales target – A sales target for new passenger EVs sold in Tasmania across all customer types with a package of policy settings and funding support to underpin this. Such a target would also be a valuable indication of the government's level of ambition and encourage automotive manufacturers to prioritise the Tasmanian market with their ZEV product.
- Commercial vehicle targets – The Tasmanian Government should also consider the introduction of zero emission bus and truck targets given the important of decarbonising these segments.
- Infrastructure targets – Set alongside vehicle sales targets to ensure the level of battery electric charging and hydrogen refuelling infrastructure keeps up with vehicle demand. This would also provide industry with certainty to invest. These targets should also include requirements regarding infrastructure reliability and uptime given a reliable charging network is essential for consumer acceptance.

Finally, a government operated ZEV infrastructure live uptime website and app taking the operational status of all DC EV infrastructure would be highly valuable given the significant issues with government and private funded DC EV infrastructure being inoperative for weeks and even months in some instances.

Question 2: Will the three priority areas, (1) information and knowledge, (2) transition and innovation and (3) adaptation and resilience, help Tasmania achieve its legislated 2030 emissions reduction target and its vision for action on climate change? Are there other issues not covered by the three priority areas?

HMCA believes the three priority areas will provide a clear pathway for Tasmania to achieve its legislated 2030 emissions reduction target.

We see these priority areas as equally important to drive genuine emissions reductions in Tasmania and would welcome the opportunity to work with the government to develop projects that achieve these priorities. Recommendations for the types of projects we believe should be included in the action plan are outlined below.

Question 3: Will the key actions under Priority area 1 help support decision making for you and your community or organisation? What types of projects should be supported under the final action plan?

HMCA believes that the provision of high-quality, up to date and accessible information to support business, community and individual decision making is one of the most important roles government can play.

In this regard, a comprehensive education and awareness campaign led by government can be a key contributor to driving the uptake of clean technologies, including ZEVs.

HMCA's own research shows the types of information retail ZEV considerers and owners are seeking are as follows:

- Range, battery life, ongoing vehicle cost, charging costs, initial set-up etc.
- Availability of subsidies and incentives
- Latest EV innovations and trends
- EV lifestyle topics such as road trips, new charging station locations etc.

A Tasmanian Government education campaign can address this lack of understanding and be a valuable tool in stimulating uptake with a focus on targeting Tasmanians that would consider an EV as their next purchase. We therefore believe it should be considered as an initiative under the action plan.

We also see an information gap for fleet managers, particularly for FCEVs, with guidance and advice on model availability, cost of ownership, infrastructure development and operation currently lacking. We recommend the Tasmanian Government consider ways to address fleet education through the action plan.

Question 4: Will the key actions under Priority area 2 support Tasmania to achieve its 2030 emissions reduction target and continued emissions reduction across Tasmania? What types of projects should be supported under the final action plan?

Tasmania does not currently have a dedicated EV strategy. A strategy that outlines the states plans and goals for the future size and scope of the ZEV market is highly important from an industry perspective to understand the direction and ambition of the state and to inform decisions around future vehicle allocation and investment.

We would like to see the development of an EV strategy to form a key initiative within the action plan. Areas that should be addressed include plans and support for commercial vehicle trials (BEV and FCEV), infrastructure planning and forecasts and consumer support for EV purchase (for instance support beyond the cessation of the stamp duty exemption in mid-23).

Question 5: Will the key actions under Priority area 3 build resilience and support adaptation planning across Tasmania? What types of projects should be supported under the final action plan?

As part of resilience building activities for Tasmanian organisations, we strongly encourage the role ZEVs can play in providing tangible reductions in the emissions footprint of public and private sector fleets to be considered. HMCA would be pleased to work directly with government and corporate fleets in this regard.

Question 6: Are there other ways the government could make its action on climate change, and progress towards meeting its targets, more transparent and accessible?

HMCA encourages ongoing and regular engagement with automotive companies as well as infrastructure developers to ensure that targets and projects are aligned with industry forecasts and model planning/availability.

We particularly look forward to engaging with the Tasmanian Government on the development of the transport sector Emissions Reduction and Resilience Plan which we understand will be completed by November 2023. We would also appreciate an opportunity to reengage with the Electric Vehicle Working Group.

4. Conclusion

HMCA thanks the Tasmanian Government for the opportunity to make this submission and would be pleased to provide further input as required into the finalisation of the action plan.