

NEW RESEARCH POURS WATER ON VEHICLE FUEL EFFICIENCY STANDARD

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New research about car buying intentions underscores the challenges of the Government's plan to reduce Australia's light vehicle emissions by 60% in five years.

'EV & Hybrid Vehicle Wave 2 Insights Report' released by the Australian Automotive Dealer Association shows that electric vehicle sentiment is shifting at a trickle rather than a flood, while most consumers plan for their next vehicle to be a SUV or Ute.

The research is a second wave of tracking EV sentiments across the community following a similar study conducted in December 2022, collecting feedback from a sample of 2,000 Australian drivers (representative by age, gender and household location across Australia).

"The proportion of the market open to buying an EV has grown but represents only one in four buyers, as the strongest barrier to considering an EV remains the higher purchase price," said AADA CEO Mr James Voortman.

"Most buyers are looking at a non-electric SUV or a Ute as their next vehicle. This is no surprise because these are the vehicles Australians love, but are also the cars most at risk of an overly aggressive vehicle emissions standard," said Mr Voortman.

"It is also clear that consumers are less likely to buy a new one due to the current cost of living crisis. The last thing we need to do at this time is to further discourage consumers from buying new cars which are safer, cleaner and greener than the old cars they replace," he said.

"We urge the Government to study this survey and adopt an emissions policy which reduces vehicle emissions in a way that protects affordability, choice and the local automotive industry," said Mr Voortman.

Among the survey findings are:

- Two thirds tell us they're going to keep their current vehicle for longer than initially planned due to cost of living pressures.
- Three in five say that they're less open to paying more for EVs due to cost of living pressures.
- Respondents open to buying an EV for their main vehicle has grown from 21% in 2022 to 25% in 2024.
- Consumers are more likely to be intending on replacing their main vehicle in the next 3 years (61%, up from 53%).
- The price premium consumers are willing to pay for an EV over a traditional fuel type is 8% up from 6%.
- More than two-thirds believe governments should be incentivising more customers to transition to EVs.
- 57% are not open to an EV due to perception that EVs cost too much, but this is down from 62%.
- 62% of respondents say their next purchase will be a SUV or a Ute.

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“This research confirms what we already knew, Australians continue to preference SUVs when considering their next vehicle purchase, are very conscious of price given current cost of living pressures, and intention to consider an EV on the next main vehicle driven is lowest when replacing large SUVs and utes,” said Mr Voortman.

The AADA represents 670 new car Dealers in Australia that operate over 3,000 dealerships that directly employ over 56,000 people.

You can view the full research report [here](#).

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