

## INVESTMENT IN EV CHARGERS FOR CAR DEALERSHIPS CRITICAL FOR CUSTOMER EDUCATION

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A new report prepared for the Australian Automotive Dealer Association by respected climate risk and energy transition experts Energetics outlines the task of rolling out electric vehicle charging infrastructure in Australia's new car dealerships.

Energetics' analysis found that the investment needed in charging infrastructure is estimated to exceed \$1 billion for franchised new car Dealers in Australia.

"The cost of chargers and associated network upgrades is significant, but Dealers understand the importance of investing in this infrastructure and their role in educating customers on EVs," said AADA CEO James Voortman.

"New car dealerships will be at the forefront of rolling out EV chargers as manufacturers require them to install chargers in their showrooms and service departments as part of their franchise agreements."

"Many consumers considering taking the leap and buying a new EV are looking for their Dealer to provide education about the vehicle and the charging experience. The availability of EV chargers in dealerships means vehicles in stock can be charged and made available for test drives while buyers can also see first-hand how charging works," said Mr Voortman.

"Evidence suggests, the majority of new EV owners will be servicing their vehicles with an authorised repairer under manufacturer warranty, so it's important that Dealers can ensure these vehicles are able to be charged," he said.

"This report makes an important contribution to this issue, especially in light of Energy Minister Chris Bowen's recent announcement of \$60 million in support of car Dealers installing EV chargers."

"The work done by Energetics can be an important resource for the Government in developing the details of the \$60 million car Dealer charging fund," Mr Voortman said.

Energetics' analysis found that:

- Investment needed in infrastructure is estimated to exceed \$1 billion for franchised new car Dealers in Australia.
- With over 3,100 Dealers nationwide, the capital investment is expected to range from \$130,000 for a typical regional Dealer to \$580,000 for a typical rural Dealer.
- The rollout of EVs is anticipated to occur in metropolitan areas at a faster rate initially than regional and rural locations. This is mainly due to the availability of the necessary infrastructure. Customer demand is also expected to be greater in metropolitan locations.
- As rural dealerships are assumed to require the largest upgrades to electrical infrastructure, upgrade costs are higher than those for metropolitan and regional dealerships.
- Dealerships need to carefully consider the type of EV chargers installed on-site. Some locations may not need Level 3 charging capacity (e.g. metropolitan and regional dealerships), although this will often be determined by the OEM and written into Dealer Agreements.

# MEDIA RELEASE



- Dealerships may face lead times of up to two years for the installation of certain infrastructure. These include electrical infrastructure upgrades (e.g. installation/upgrading of transformers) and charging requirements (e.g. Level 3). Rural dealerships can expect longer delays.
- Dealership employees will be supporting the marketing, sale, and service of EVs.
- OEMs may have their own emissions reductions targets. They may also respond to new vehicle efficiency standards globally. Both factors can lead to expectations and requirements of their dealerships with regards to the implementation of EV charging infrastructure and the range of EVs for sale. Noting some OEMs may be able to share the financial burden of the new EV infrastructure, and Dealers should investigate any such potential.
- Australia's new National Vehicle Emissions Standards (NVES) will likely increase the demand for plug-in hybrid electric vehicles and EVs, requiring Dealers to invest in onsite charging and infrastructure upgrades.

The full report can be [viewed here](#).

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For further information please contact:

**Ashleigh Sykes**

Communications Manager

Australian Automotive Dealer Association Ltd.

E: [media@aada.asn.au](mailto:media@aada.asn.au)

M: +61 468 450 563