

## Barton Deakin Brief: Future Fuels and Vehicles Strategy

Tuesday 9 November 2021

### Overview

Today Prime Minister Scott Morrison and Minister for Industry, Energy and Emissions Reduction Angus Taylor announced the Federal Government's Future Fuels and Vehicles Strategy.

### Strategy

This strategy approaches reducing emissions in the transport sector by investing in technology, working with the private sector and encouraging the uptake of electric vehicles to the broader public. This will be achieved by the expansion of the Future Fuels Fund, investing \$250 million to leverage private sector investment into public electric vehicle charging, heavy and long-distance vehicle fleets, light vehicle commercial fleets and household smart charging.

The Future Fuels and Vehicles Strategy forms part of the government's Long Term Emissions Reduction Plan, which prioritises technology over taxes, choice over mandates, driving down the cost of new technologies and keeping energy prices down with affordable and reliable power.

### Key Objectives

#### Electric vehicle charging and hydrogen refuelling

The government will leverage private sector investment in charging and refuelling infrastructure to address public 'charging blackspots' and demonstrate hydrogen refuelling infrastructure through the \$250 million Future Fuels Fund. This will ensure access to charging and refuelling that integrates the grid and meets the needs of businesses and households.

Key actions include:

- The following studies will inform investment decisions to roll out battery charging and hydrogen refuelling infrastructure to meet this demand: The Bureau of Infrastructure and Transport Research Economics (BITRE) will investigate charging blackspot locations in regional Australia. The Department of Industry, Science, Energy and Resources (DISER) will develop a roadmap to identify the optimal locations of future battery charging and hydrogen refuelling infrastructure. DISER is completing a National Hydrogen Infrastructure Assessment to identify hydrogen infrastructure rollout priorities.
- The \$250 million Future Fuels Fund will continue co-investing with industry and state and territory governments to roll out public charging infrastructure where it can have the greatest impact for regional and metropolitan motorists.
- The \$250 million Future Fuels Fund will support the demonstration of hydrogen refuelling stations for hydrogen hubs, major freight routes and passenger road corridors. Hydrogen

funding is also available through the \$464 million Clean Hydrogen Industrial Hubs program, as well as through ARENA and the CEFC.

- The \$250 million Future Fuels Fund will help commercial fleets and consumers with installation and electrical upgrades for charging infrastructure, including for heavy and long-distance vehicles (such as those used in the logistics, agriculture and mining sectors) and smart charging for households.
- The government will develop a method to incentivise emissions reductions in transport, including through electric vehicle charging and hydrogen refuelling infrastructure.

More information is available [here](#).

### **Commercial fleets**

The Future Fuels and Vehicles Strategy will have a specific early focus on commercial fleets, helping businesses and consumers access the latest transport technologies that suit their requirements. This will also include reducing operating costs to increase access to businesses, whilst increasing productivity and boosting consumer satisfaction.

Key actions include:

- The \$250 million Future Fuels Fund will co-invest with light and heavy vehicle fleets to upgrade their infrastructure
- The \$24.5 million Freight Energy Productivity Program will help businesses improve vehicle productivity through assessing and evaluating the benefits of new energy efficiency technologies for heavy road freight vehicles
- The CEFC will continue working across the economy to accelerate investment in measures to reduce transport-related emissions. This includes electrifying urban transport, charging infrastructure and ensuring available finance for electric vehicles.
- Treasury will monitor the adequacy of regulatory and/or taxation settings.
- Assess and adopt any appropriate lessons from the ongoing COMCAR trial to remove procurement barriers to expanding low emission vehicles across the government fleet.

More information is available [here](#).

### **Information for motorists and fleets**

The government will give consumers access to useful information when buying a vehicle to ensure it is right for them. This will include information about the effectiveness of low emission vehicles, including heavy-duty vehicle technologies and alternative fuels.

Key actions include:

- The Green Vehicle Guide website is being redeveloped and expanded to include information about new light vehicle technology available in Australia
- Publishing results from fleet trials funded through the \$250 million Future Fuels Fund, including the outcomes of the Freight Energy Productivity Program

- Freight Energy Productivity Program will assist the heavy road freight sector with access to information and experts to support fleet investment decisions
- The Australian Taxation Office will investigate and issue updated guidance for businesses on the tax treatment of low emission vehicles to provide clarity for fleet purchasing

More information is available [here](#).

### **Integrating battery electric vehicles into the grid**

The Future Fuels and Vehicles Strategy will ensure the electricity system is EV-ready and improve grid security through supporting charging technologies.

Key actions include:

- The government is undertaking a grid integration analysis, exploring ways to encourage motorists to charge at periods of low demand to keep electricity prices low
- Through state and territory energy ministers, the government will collaborate with energy market bodies and the electric vehicle industry on reforms. This will be through ARENA's Distributed Energy Integration Program (DEIP) Electric Vehicle Working Group.
- Supporting the installation of smart charging technology in households to manage the impact of charging on the grid. ARENA is currently supporting trials of emerging technology in this area, such as bidirectional chargers.
- Examine how electric vehicle charging and user behaviour can be incentivised to optimise operation of the electricity grid. This includes making the most of low cost and low emissions generation.

More information is available [here](#).

### **Support Australian innovation and manufacturing**

The final key objective of the Future Fuels and Vehicles Strategy is supporting Australian innovation and manufacturing. In particular, the government will assist Australia's high-value critical minerals mining and manufacturing capability, capturing export markets through the Modern Manufacturing Strategy.

- The government is currently funding research to model Australia's future mix of transport fuels. This will demonstrate the industry growth opportunities and determine the mix of fuels needed in the future
- The forthcoming Bioenergy Roadmap will consider the role of biofuels across transport sectors, including road and hard-to-abate sectors, such as aviation and maritime.
- The government is investing in hydrogen production and infrastructure so Australia can become a leading exporter by 2030. The upcoming National Hydrogen Infrastructure Assessment will also help to determine the infrastructure needed to support future use of hydrogen in transport.
- The government's \$1.5 billion Modern Manufacturing Strategy is helping Australian manufacturers build scale, competitiveness and resilience
- The Special Adviser to the Australian Government on Low Emissions Technology is working with international partners to strengthen collaboration between Australian and



## Government Relations

international businesses. This work is funded by the government's \$565.8 million commitment to deliver low emissions international technology partnerships and initiatives by funding research and demonstration projects.

More information is available [here](#).

### Other information

You can view the 2021 Future Fuels and Vehicles Strategy [here](#).

You can view the Modern Manufacturing Strategy [here](#).

You can view the media release by the Prime Minister and Minister for Industry, Energy and Emissions Reduction [here](#).

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