New electric cars for under $45,000? They're finally coming to Australia, but the battle isn't over

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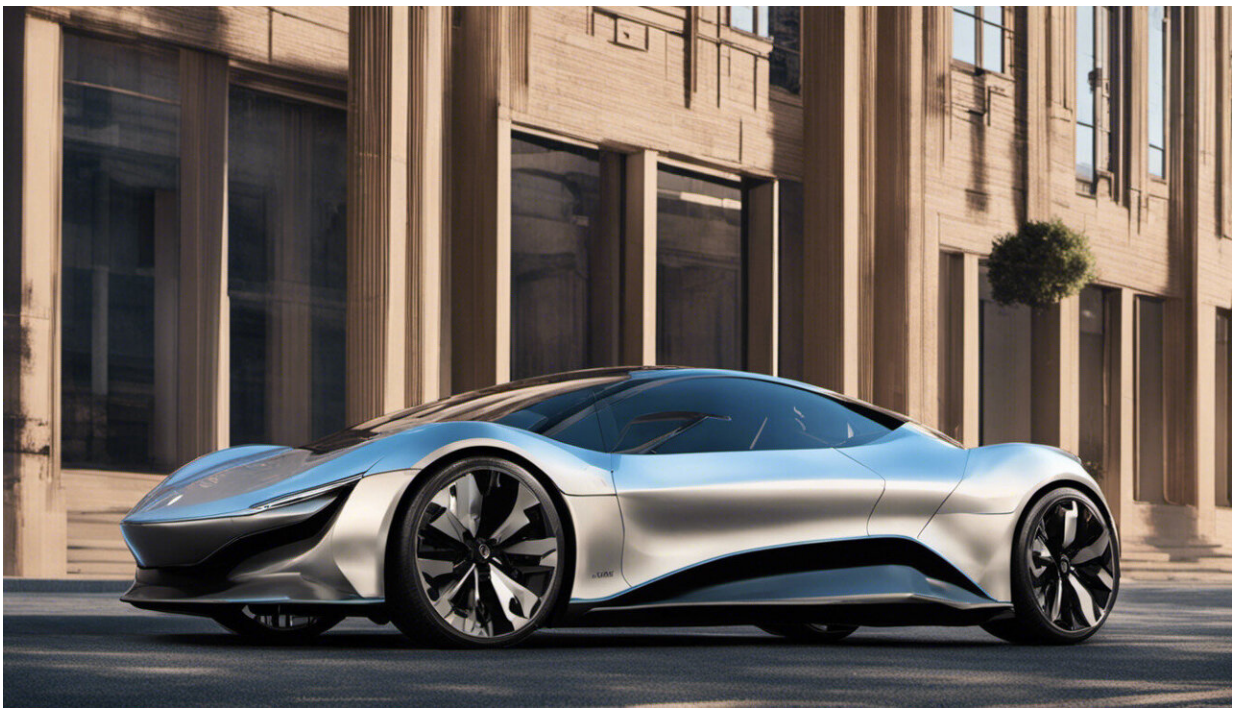

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If you're shopping for an electric vehicle in Australia at the moment, your options are limited. Of more than 300 electric vehicle models on sale globally, only about 30 are available here.

What's more, waiting lists for vehicles are long and the purchase cost is still higher than many consumers are willing to pay.

Australia might now have a federal government with stronger climate ambition than the last. But major new policies are still needed to accelerate the road transport transition.

There's good news, however: Australian motorists have been promised more choice soon. So let's take a look at the cars we might be driving in the next few years.

Why make the switch?

Transport is Australia's third-largest—and fastest growing—source of greenhouse gas emissions. Cars are responsible for the greatest share of these emissions.

Most of Australia's vehicle fleet uses polluting fossil fuels. A switch to electric vehicles, coupled with a transition to renewable energy, is vital if Australia is to meet its commitments to tackle climate change.

Electric vehicles are also cheaper to run than their traditional counterparts, and don't rely on expensive imported fuel.

Despite all the benefits, electric vehicle uptake in Australia is still low. They accounted for just 3.39% of new vehicle sales (or 26,356 cars in total) to September this year, according to the Electric Vehicle Council of Australia.

It's an increase on last year, but still well below other nations. In the UK, for example, 19% of new cars sold are electric.

The ACT buys the most electric vehicles (9.5% of new vehicles)

followed by New South Wales (3.7%), Victoria (3.4%), Queensland (3.3%), Tasmania (3.3%), Western Australia (2.8%), South Australia (2.3%) and the Northern Territory (0.8%).

Which electric vehicles are we buying?

Almost 40% of new battery electric vehicle sales this year were Tesla Model 3 (8,647 sales) and 25% were Tesla Model Y (5,376 sales). Other top-selling models include the Hyundai Kona (897 sales), MG ZS EV (858 sales) and Polestar 2 (779 sales).

Best-selling battery electric vehicles in Australia

Based on Australian sales data from the first nine months of 2022

Model	Price (Low) AUD	Price (High) AUD	Range (km) WLTP	Efficiency (Wh/km) WLTP	YTD September
Tesla Model 3	65,500	91,600	491	117	8,647
Tesla Model Y	72,300	96,700	455	126	5,376
Hyundai Kona Electric	54,500	60,500	250	129	897
MG ZS EV	43,990	47,990	260	157	858
Polestar 2	63,900	73,400	350	152	779
Volvo XC40 Recharge	72,990	79,490	380	158	574
Hyundai Ioniq Electric	54,010	54,010	311	123	569
Mercedes-Benz EQA	78,513	78,513	355	156	559
Hyundai IONIQ 5	69,900	77,500	481	151	558
Kia EV6	72,590	87,590	528	147	486
Porsche Taycan	156,300	351,000	395	180	401
BMW iX	134,900	168,900	350	167	309
Nissan Leaf	50,990	61,490	220	137	300
Mercedes-Benz EQC	139,723	139,723	370	195	283
Renault Kangoo	46,990	46,990	200	115	281
Kia Niro Electric ('19-'22)	62,590	62,590	370	138	218
BMW i4	99,900	124,900	475	170	189
Mercedes-Benz EQB	87,800	106,700	419	159	111
Audi E-Tron	137,100	165,600	280	231	103
Lexus UX 300e	74,000	74,000	260	159	60
Genesis GV60	103,700	110,700	470	170	58
Mercedes-Benz EQS	328,400	328,400	565	168	54
Mazda MX-30	65,490	65,490	170	127	34
Genesis G80	85,191	145,000	520	159	12

Models are ordered according to YTD September sales. Base model specs are presented for each model. Purchase price may vary state-by-state due to variations in local taxes and fees. Efficiency is measured in watt-hours per km (Wh/km). This represents how much electricity a vehicle uses to travel one kilometre. WLTP is the Worldwide Harmonised Light Vehicle Test Procedure. It is a laboratory test used to measure fuel consumption and vehicle emissions.

Source: Produced by S. Liyanage and H. Dia (Swinburne University of Technology) using information from ZECAR, VFACTS, EV database and EV news sites. Sales cover year-to-date September 2022. • Created with Datawrapper

Credit: The Conversation

Less than 20% of vehicles sold had a purchase price below $65,000.

The Porsche Taycan, one of the most expensive electric vehicles on the market, was in 11th place with 401 sales. Its price ranges from $156,000 to more than $350,000, depending on the model grade.

Some buyers are yet to receive the cars they purchased. Supply shortages mean consumers can wait 11 months for their vehicle.

But despite the frequent delays, consumers keep placing orders. Hyundai recently offered 200 of its Ioniq 5 electric SUVs for sale online; they were snapped up within 15 minutes.

Price is a sticking point

Clearly, some Australians are willing to buy an electric vehicle despite the price tag. But the purchase cost remains a big concern for others.

In a recent survey, more than half of Australian respondents preferred electric vehicles over fossil fuel cars—but 67% said price was the main barrier preventing them from making the switch.

Only 13% were willing to spend between $45,000 and $54,999 on an electric car.

In another survey of around 1,000 Australians, about 72% said they would budget less than $40,000 for their next car purchase.

But few battery electric vehicles cost less than $55,000, and many cost more than twice this. Others are nearly 60% more expensive than their petrol-powered counterparts.

Choice coming soon

Carmakers have promised a suite of new battery electric vehicles will soon be available in Australia.

Two are expected to be the among the cheapest new battery electric vehicles available here: the Atto 3 by carmaker BYD and MG's updated ZS compact SUV.

More battery electric vehicle models on the way

Sample of models launching in 2022 or expected to launch in 2023

Model	Price (Low) ▲ AUD	Price (High) AUD	Range (km) WLTP	Efficiency (Wh/km) WLTP
BYD Dolphin	35,000	40,000	300	137
BYD Atto 3	44,381	47,381	345	145
MG ZS EV (Newer Model)	44,990	44,990	263	161
BYD Seal (Atto 4)	46,000	60,000	550	146
Peugeot e-208	55,000	55,000	275	164
Renault Megane E-Tech	57,000	57,000	335	179
CUPRA Born	60,000	60,000	450	171
Volvo C40 Recharge	74,990	82,490	434	179
Tesla Model S	133,175	152,675	555	162
Tesla Model X	157,875	177,375	475	189

Models are ordered by purchase price. Base model specs are displayed for each model. Purchase price of future models are based on best estimates available and may vary between states due to variations in local taxes and fees. Efficiency is measured in watt-hours per km (Wh/km). This represents how much electricity a vehicle uses to travel one kilometre. WLTP is the Worldwide Harmonised Light Vehicle Test Procedure. It is a laboratory test used to measure fuel consumption and vehicle emissions.

Source: Produced by S. Liyanage and H. Dia (Swinburne University of Technology) using data from different sources including ZECAR, EV Database and EV news sites. • Created with Datawrapper

Credit: The Conversation

Both will be available for less than $50,000 including on-road costs. The MG model is the cheaper of the two, at $44,990 for the Excite variant.

Other models expected to arrive in the next two years include the Aiways U5 SUV, Fiat 500e, Kia Soul, Peugeot e-2008, Skoda Enyaq,

Toyota bZ4x and Volkswagen ID series.

The Chinese LDV electric ute is already on sale in New Zealand and may be on Australian roads by the end of this year. It remains to be seen, however, if electric utes and vans will be embraced by Australia's tradespeople.

What policy settings are needed?

Clearly, Australia needs more affordable mid- and low-end electric vehicles. But one key policy setting is holding us back: the lack of mandatory fuel efficiency standards for road transport vehicles.

Australia is the only country in the OECD without such a policy. The standards help drive demand for low-emissions vehicles—so electric vehicle manufacturers often prefer to sell into those markets.

Car importers also tend to promote top-end models first because they have higher profit margins.

Meanwhile globally, competition between manufacturers of cheaper battery electric vehicles is expected to intensifying. Multinational automakers in China have been gearing up. Their lineup of new models is already selling in international markets.

Heavy trucks are also ripe for electrification, and progress has been rapid in recent years. Broad deployment in Australia will accelerate emissions cuts and improve air quality.

The road ahead

Electric vehicles are not the total solution to cutting transport emissions.

We also need strategies to change our travel behavior, reduce the number of cars on the roads and improve walkability and access to public transport.

But electric vehicles are a crucial piece of the puzzle. To improve their uptake in Australia, policymakers can draw from a range of effective electric vehicle policies that can be adapted from other nations. They include investment in charging stations and providing financial incentives to buy and run electric vehicles.

Australians want to drive electric vehicles, and governments must respond. Without a variety of affordable electric vehicles, Australia's dependence on fossil fuels will deepen, and reaching our emissions reduction goals will become harder.

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