

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into electric vehicles

Melbourne — 9 November 2017

Members

Mr Bernie Finn — Chair

Mr Khalil Eideh — Deputy Chair

Mr Jeff Bourman

Mr Mark Gepp

Ms Colleen Hartland

Mr Shaun Leane

Mr Craig Ondarchie

Mr Luke O'Sullivan

Participating members

Ms Samantha Dunn

Mr Cesar Melhem

Mr Gordon Rich-Phillips

Witnesses

Mr Tristan Sender, Chief Executive Officer, and

Dr Christopher Vanneste, Head of Locations and Partnerships, GoGet.

The CHAIR — Welcome to you both. Welcome to the public hearing of the Economy and Infrastructure Committee in relation to the inquiry into electric vehicles. The evidence is being recorded. All evidence taken at this hearing is protected by parliamentary privilege; therefore you are protected against any action for what you say here today. But if you go outside and repeat the same things, those comments may not be protected by this privilege. Can I ask you to begin by stating your name, your position, the company that you represent and the suburb in which you are based and then start off with an opening statement of 5 to 10 minutes. We will then move to questions.

Mr SENDER — My name is Tristan Sender and I am the CEO of GoGet Carshare. We are located in Sydney, the city, and we have offices here, but I am located in Sydney.

Dr VANNESTE — I am Christopher Vanneste, head of locations and partnerships at GoGet Carshare. We are operating in 12 council areas in Victoria currently, with 63 suburbs.

The CHAIR — Thank you very much. Over to you.

Mr SENDER — I will give you a bit of a brief intro about GoGet. We have been around since 2003. We are a car sharing operator. We are a membership organisation; we have close to 100 000 members of our service across Australia and we have over 2500 car share vehicles located across Australia, with over 600 of those being located in Victoria. It has been our mission from the beginning to actually compete directly with the private car and to enable people to actually give up their private car and instead use public transport, cycling, walking and also a car just when they need it occasionally. To that end we have done a lot of different things in terms of the cars and the facilities we provide.

We make it as easy as possible, so you can book cars on apps and online. You do not need to do any paperwork; you just swipe in and off you go. We have also added vehicles to help people keep in car share. For example, we have added baby-friendly vehicles, pet-friendly vehicles, disabled-access vehicles, so we are trying to really go out to the whole community and make it as easy as possible for them to do that. I am happy to answer questions about this later: we have also had several different types of both pure electric vehicles in our fleet and also hybrid PHEV vehicles where they have backup generators within them.

We see ourselves as a complement to public transport and we are working very hard with government, both here and in New South Wales, to help integrate our services also into the public transport system in the future. I will pass across to Chris.

Dr VANNESTE — I just want to speak to a couple of things that have come up already today and clarify them or just give some of our opinions on them. One of them is that our members typically are giving up private cars. They are hard things to get people out of, but we have had quite a lot of success. In the city of Sydney, for example, 20 per cent of the people with a drivers licence are members of our service, and about 80 per cent of our members no longer own a vehicle at all. We do have quite a high level of one-car families that are using us as their second car as well.

We have both personal members and business customers as well, so our cars are getting really well used as business pool cars Monday to Friday, midweek and then we get that evening and weekend use by the public. Our members are actually opting into a road user charge. We charge an hourly fee and a kilometre rate, so it really makes our members think about every trip they use a private vehicle. And, counter to what would make us a lot of money, we are trying to discourage people from using a car as much as possible but to use public transport, walking and living locally. It is all about hyperconvenience. As you suggested earlier today, we are very supportive of car share in developments — residential, commercial and retail. We have the world's largest residential car-share pod, with 50 car-share vehicles in that development. Over half the units in that development were sold without parking, and the local community get access to those vehicles, which are our cars. When we put a car into a development, it costs the developer nothing; it means he can sell apartments without parking and people can live without a car but still have access. The greater community can also access those vehicles, and it brings a net public benefit. It is the same thing in commercial buildings; they see it as a benefit for their tenants. We are in retail centres, so that you can go to a retail centre on the bus, get your big-screen TV or your big shop, bring it home and bring the car back. It is ready for the next person, and you are back at the centre to go to a movie or have dinner or go out for drinks.

One of the other big focuses we see, especially supporting government as they are transitioning to electric, is we can really help governments and businesses reduce their corporate fleets. We have a partnership with La Trobe University right now. We put our car-share technology into their private pool cars and reduced their fleet by about 50 per cent. They use GoGet for overflow for when their peak period is, and they have used the savings from reducing their fleet to invest in hybrid vehicles. We can see a very similar role with government where we can help you reduce your fleet down to something that is very highly utilised, overflow into car share and use the savings to invest into electric without a cost to the taxpayer.

Lastly, I just want to briefly touch on free-floating car share. It is something we have been familiar with for quite a few years. We are on the Carsharing Association board internationally. Our biggest fear with free-floating, I guess, really has two aspects. One is we do see it internationally competing quite heavily with public transport and active transport because it is so hyperconvenient to take a car down the block or commute into the city and just drop it, which is something our company is really trying not to focus on — it is trying to get people into public transport as much as possible and use cars as little as possible. The other aspect is that bunching. We have seen quite a few councils where the cars get dropped off in a suburb on a Friday night, and then all the residents have share cars all over the streets and cannot park themselves —

Mr VANNESTE — And go mad.

Mr SENDER — And go crazy, yes. Our service is very much that return-to-home service. We have that kind of congestion charge, and it means you can rely on the service. You can book it next week if you know you have in-laws coming into town; you can book it six months from now, and you know the car is going to be there. That is us.

Mr VANNESTE — To go to that point the free-floating service in many ways mimics a self-drive taxi, and we are not trying to compete with taxis or trams or Uber, for example, which already exist and are pretty convenient. For us, Melbourne is one of the most livable cities; it has a tram network that is free; and the council is obviously trying to encourage people to take the tram, to cycle and to do all these things, and adding in a car to replace that, for us, has some connotations around that that we would be concerned about.

The CHAIR — Great; thank you. What percentage of your vehicles are EVs?

Mr VANNESTE — A very small percentage. At the moment we do not have any full electrics, just because they are quite hard to get and they stopped bringing them in. We are just bringing in six plug-ins, so they are PEVs, and then we would have hybrids and so forth. We had full electrics, but we have now taken them out of our fleet as they got older, and due to certain utilisation issues they were utilised 50 per cent less than a standard vehicle.

The CHAIR — Why was that, do you think?

Mr VANNESTE — One, first of all, it is pretty hard to get people to car share in the first place. You are actually trying to get them to give up the car, so making other additional steps for them to do so is difficult. One was definitely range anxiety, because we did ask customers about that. They were afraid that they would not make it as far as they would like to go. Whether that was true or not, it was a perception in their mind. The other side of it with electric vehicles was also that when they come back they take quite a long time to recharge back up, so you often had to leave them for several hours unless you had a superfast charger like Tesla's, which costs \$1 million, so I think that was the other main part —

Mr SENDER — Yes. Our service relies on that high utilisation, so someone will drop it off and usually within an hour or 2 hours someone is picking up again and going somewhere else, so if it did not have enough charge, people would start to avoid it because they could not rely on it. We loved the idea of them, but the experience, if they got into a car that was low power, was not very user-friendly.

Mr VANNESTE — If you are a family and run an electric car, you know what is going on; there is no-one else involved. You know when you get home you plug it in, you wait till the morning and you have got the charge. It is a lot more reliable in your mind. Whereas when you are taking a car-share vehicle and you are showing up, you are not sure if it is going to be fully charged et cetera and you are not perhaps used to how to use —

Mr SENDER — The last point we had, the problem with full electrics, was vandalism to the charge station, which made the electric car unusable for us for a period of time until that was fixed, and damage to the vehicles themselves. Because there was so little fleet in Australia, parts were really hard to come by, so we would have a vehicle off the road, if it was damaged, for quite a long period, obviously affecting our use of that vehicle for members.

Mr VANNESTE — The other side of that — and we did not pass this on to customers as well — was the actual cost. The cost of an electric vehicle is two to three times that of, say, a small 5 star ANCAP Toyota or whatever. Also the residuals of those cars when you resell them were very bad, so the holding cost became very high. So if you were to operate a profitable model of electric cars, you would really need to see that price come down significantly.

The CHAIR — So reading between the lines, would it be safe for me to say you do not see EVs figuring prominently in your business in the foreseeable future?

Mr VANNESTE — No. I would say that we are always at the forefront — that is why we actually built our own electric car back in 2011 — so we are very excited by new technology and trying it for our members, but I think right now, one, there is not the availability of electric vehicles, full stop, in Australia, particularly small electric vehicles; and two, when that cost comes down and the charging time comes down and the distance that you can go in those goes longer, we would definitely be looking to adopt those vehicles. Also, I think, when the price comes down there will be significant cost savings in terms of the fuel for a business like ours. So we would be very open to it, but we will do it when it becomes viable.

The CHAIR — When do you think that might happen, and why do you think that would happen? Why do you think the cost would come down?

Mr SENDER — I think as they become more mainstream. When things come out initially there are always high costs. So once major manufacturers start building electric cars — and I know that a lot of them are getting into that; some have said they are going to go fully electric or hybrid electric — I think we will see a big increase in economies of scale in a sense.

The other thing is the PEVs. Our experience with dual — the generator backup cars was a lot better with customers, so we are now pushing that a bit further, because the customer knows that in the worst case they do go 150 kilometres, and if it runs out they have got a generator that is then going to recharge that vehicle. So I see that perhaps coming first.

Ms HARTLAND — If I can continue on there, for you at the moment it is a lack of supply and this issue around vandalism. It sounds like everything you are talking about is probably solvable.

Mr VANNESTE — Yes.

Ms HARTLAND — But for your business at the moment it is not quite there.

Mr VANNESTE — The nice thing about our service is we churn our cars very frequently, so on average about two to three years. So when we get to the point that we can move into electric it will be a very quick process for us, as opposed to the private car owner who owns their car for 10-plus years. On that point in our residential buildings we asked the developer to run cabling to our car-share spots so that in the future we can just install the charge station and go —

Ms HARTLAND — You are available.

Mr VANNESTE — We do not have to deal with stratas and try to run cabling.

Ms HARTLAND — So you are futureproofing.

Mr VANNESTE — As much as we can.

Mr SENDER — We are excited by the fact of being able to use electric cars. We are even involved in autonomous cars as well — things like that. We are always excited by new technology and new ways of doing things.

Mr VANNESTE — We have a commercial building that has electric charge stations that are not being used. They are donating those CBD parking spaces to us for us to be able to bring that more expensive car into their building and get their tenants using it.

Mr SENDER — Like you say, the other thing is the installation of charging stations. If we want en masse-type stuff, there needs to be quite a dense network of charging stations brought in before it becomes easy and viable to run a service like this.

Ms HARTLAND — How do you decide where you are going to locate your cars?

Mr VANNESTE — It is all about convenience for members. Our average personal member will not walk more than about 250 metres to use their car-share vehicle, so it is all about that hyperconvenience. We put them in areas with really good public transport. Good density is our core focus — so CBDs and all along the rail networks. Any transport hub is a key part for us. Anywhere that you can use public transport for the majority of your journey is where we can put a car-share vehicle currently. So the public transport network is a major focus for us having car shares — that kind of last mile service at a transport hub.

Mr SENDER — We think that all stations should have car-share cars at them, and actually you do get a wider network when they are at stations because people travel on a train, for example, out of the traffic congestion and then they will take a car-share car for the last bit of their journey. Thus they have saved time and they can also get directly to where they want to be. The train station might be a mile or two or a kilometre or two from where they are actually going, so they would drive the whole way, because they did not have a real solution at the other end, and we are solving that.

Mr LEANE — Thanks for your assistance today.

Mr SENDER — No problem.

Mr LEANE — I am following on from my colleagues' questions. I appreciate it is probably only a small sample, Christopher, but you mentioned the vandalism to the charging stations that you had. Did that vandalism render the charging station unusable?

Mr VANNESTE — Yes. We had in one Adelaide with The Joinery. The charging station was actually stolen.

The CHAIR — It sounds like Adelaide!

Mr VANNESTE — Luckily for us that was with one of the PEV vehicles, so we could still operate it as normal. We also had an on-street one in Sydney that was hit by a car. That station is unusable. Had it been a fully electric in that spot, we would not have been able to run that car while that station was under repair. It is a pretty rare problem to have, but when it does happen, it makes that vehicle potentially unusable.

Ms HARTLAND — How does someone steal a charging station?

Mr VANNESTE — There are so many different varieties. This one was a slower charger, and it was literally a wall-mounted unit, so it was fairly easy to take it. Obviously it was a risky thing to do for someone, but they managed to do it. It is in a cage now.

Mr LEANE — I suppose that gets back to that it is a live-and-learn thing with new technologies.

Mr VANNESTE — Yes, I think it is solvable.

Mr SENDER — I think in the longer term that it will not be a problem. When they are everywhere they get boring, so I do not think the charging station is the major issue.

Mr LEANE — You do not see it as a huge ongoing issue?

Mr SENDER — They have them all over the world, and I think they still survive. But I think as we get more and there are more suppliers, they will get fixed quicker. It is just that in the early stages that there are less parts. It is just like the cars take longer to fix because there are less parts.

Mr LEANE — It has been an ongoing issue in the back of my mind. You are the first witnesses to bring an instance here. It is interesting to unpack that, and it is good to hear that in your view it is not the biggest issue to be concerned about.

Mr VANNESTE — Especially as we get more charge stations. If you have one and it has gone, it is a bigger problem.

One of the other core focuses for us is encouraging some of our commercial partners to put in a charge station. A lot of them have a barrier saying, 'There's no usage case for a charge station anyway', so we encourage them to put a dual one in, and then we will have a car-share car, so it will be used right away, and then they have that second bay, because they are usually dual-charge stations. So when someone does bring in an electric car they can charge it, but it means we have a dedicated user for that infrastructure that they have invested in. The current commercial building we are in has never had their charge station used. It was something they implemented, so that is why they have opted to use to us in that charge station for free, just to get some value out of that infrastructure spend.

The CHAIR — Novelty value perhaps? Thank you so much indeed for joining us today. In the next week or two you will receive a transcript. If you could just look at that to see if there are any spelling mistakes or anything like that — not that I am suggesting that that would happen of course. If there are, just let us know and they will be rectified. We thank you very much indeed for joining us today.

Mr SENDER — Thank you very much. No problem at all.

The CHAIR — The hearing stands adjourned.

Committee adjourned.