CONSERVATION COUNCIL ACT REGION

Submission to the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Fuel efficiency standard

May 2023

The Conservation Council ACT Region is the peak non-government environment organisation for the Canberra region. Since 1981, we have spoken up for a healthy environment and a sustainable future for our region. We harness the collective energy, expertise and experience of our more than 40 member groups to promote sound policy and action on the environment.

We campaign for a safe climate, to protect biodiversity in our urban and natural areas, to protect and enhance our waterways, reduce waste, and promote sustainable transport and planning for our city. Working in the ACT and region to influence governments and build widespread support within the community and business, we put forward evidence-based solutions and innovative ideas for how we can live sustainably.

At a time when we need to reimagine a better future, we understand that the changes we need will only happen with the collective support of our community.

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Introduction

The Conservation Council ACT Region appreciates the opportunity to provide comment to the Australian Government on the design of a national fuel efficiency (CO_2) standard.

As the consultation paper acknowledges, Australia has lagged well behind comparable economies when it comes to fuel emissions standards, and this has led to decades of avoidable pollution in our cities and poor health outcomes for Australians. The burning of fossil fuels in internal combustion engines is causing measurable damage to the global climate. The mining and transportation of those fossil fuels is also responsible for vast tracts of devastation across landscapes, waterways and marine environments. Resource consumption for vehicle manufacture and disposal is also highly damaging to the planet.

The imperative for emissions reductions for the atmosphere and air quality for human health outcomes has been evident since the 1970s, through repeated advice to the Australian Government from its own institutions as well as external agencies.

The Synthesis Report of the IPCC's Sixth Assessment Report (AR6-SYR) released in March 2023 is unequivocal in its statements about the urgency required in global emissions reductions.

> *"Keeping warming to 1.5°C above pre-industrial levels requires deep, rapid and sustained greenhouse gas emissions reductions in all sectors. Emissions should be decreasing by now and will need to be cut by almost half by 2030, if warming is to be limited to 1.5°C."*[1]

It is high time the Australian Government took substantive action to address fossil fuel pollution from transport vehicles of all types. The ambition and implementation of the Government's new fuel efficiency standard must reflect this urgency.

The Conservation Council ACT Region supports the implementation of a fuel efficiency standard that is world-leading and effectively prevents the import, sale and use of fossil fuel vehicles in Australia.

More than just a fuel standard

Be world leading and exclude fossil fuels

The new fuel efficiency standard must be world-leading, not merely playing catch-up with a global average. It must effectively preclude the use of fossil fuels in vehicles – allowing the continued sale and use of "efficient petrol and diesel engines and hybrids" is not enough and would lock in decades more carbon emissions and demand for fossil fuel mining.

An outright ban on the sale of new fossil fuel vehicles, as is happening in a growing number of jurisdictions around the world including the Australian Capital Territory[2], would give the industry unequivocal guidance. The case for a ban is well established, and the recent accelerating pace of new electric vehicles sales demonstrates public support for and momentum towards the phase-out of fossil fuel vehicles. However, if the Australian Government is unwilling to set such

[1] IPCC, 2023, 'Urgent climate action can secure a liveable future for all', Press release, 20 March, https://www.ipcc.ch/report/ar6/syr/downloads/press/IPCC_AR6_SYR_PressRelease_en.pdf

[2] W kipedia, 2023, 'Phase-out of fossil fuel vehicles', https://en.wikipedia.org/wiki/Phase-out_of_fossil_fuel_vehicles

a clear policy, it is even more critical that the fuel efficiency standard act as an effective and immediate proxy solution.

The standard should cover all passenger and light commercial vehicles, including motorcycles, to avoid manufacturers exploiting loopholes in vehicle category descriptions. The standard should rapidly be expanded to include all road vehicles, and apply to all individual vehicle purchases, not "fleet average" emissions which would enable the purchase of polluting vehicles.

Electric and clean hydrogen vehicle technologies are viable, economic and available now – there is no justification for continued use of fossil fuels.

Foster other forms of transport

A one-for-one switch from internal combustion engine vehicles to electric equivalents would miss the opportunity to realise a wide range of other benefits. All transport needs to rapidly be electrified to reduce global greenhouse gas emissions.

The new standard and the communications campaign to support it must also include education about modes of transport other than motor vehicles. Public transport is an excellent alternative particularly for daily commuters and a great investment in social equity. Fast passenger trains should be a viable alternative to flying on domestic routes, significantly reducing aircraft emissions. Electric freight rail could take thousands of polluting trucks off our roads, improving delivery efficiency and safety for road travellers. Investment in infrastructure and support services for cycling and active travel, particularly electric bicycles and other forms of small electric rideables, has benefits for individual and public health as well as reducing the need for massive road infrastructure and parking, leading to more pleasant urban environments. Car sharing schemes, such as taxis, Uber, Car Next Door, PopCar and so on, should also be supported as a means of reducing the number of vehicles on the roads and the financial burden on households. See community campaigns such as Make the Move for exploration of transport options.[3]

Drive innovation for whole vehicles, not just the energy source

The standard should include mandatory labelling of a vehicle's ecological footprint so that consumers can make better-informed purchasing decisions about a vehicle's overall lifecycle environmental impact. Communications should also include discussion about choosing the smallest car appropriate for a family's or business's needs, not a proliferation of giant SUVs that have higher carbon footprints than small petrol cars.[4]

The fuel standard should also include standards for production and recovery of batteries, and be accompanied by a mandatory stewardship scheme and recycled content requirement for all materials used in car production, to promote circularity of materials. Such a scheme would provide a financial incentive for manufacturers to reduce consumption of virgin raw materials, a market for recovered materials and a pool for investment in recovery technologies to provide those post-consumer materials. This would reduce the environmental burden of both sourcing and disposal of materials. A mandatory recycled content standard would also drive innovation in materials science to eliminate toxic substances that end up in landfills or incinerators post-use.

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[3] Make the Move, https://www.makethemove.org.au/

[4] DeMastri, JH, 2023, 'Biden poses in electric car packing higher carbon footprint than a gas-powered SUV', WND News Services, https://www.wnd.com/2023/01/biden-poses-electric-car-packing-higher-carbon-footprint-gas-powered-suv/

The CSIRO and SMaRT@UNSW[5] are examples of research institutions developing circular solutions for complex materials such as car parts.

Responses to selected Consultation Paper questions

Guiding principles

The Conservation Council supports the application of the Government's guiding principles.

Design assumptions and features

The Council concurs with the Australian Electric Vehicle Association position that the need to reduce transport emissions across all segments outweighs the principle of protecting "the continued sale of vehicles Australians love". It even outweighs the principle of "allowing a full range of vehicles to be sold on the Australian market". Humanity has exercised this supposed privilege at the expense of the planet on which we depend. It is past time for our species to live within planetary boundaries.[6]

Any strategy which seeks to create exceptions or exclusions for certain types of vehicle will risk undermining the intention of the emissions standard. Manufacturers have the engineering skills, expertise and capacity to deliver a zero emissions option for almost all vehicle types; they just need the motivation to do so.

An unwillingness by some manufacturers to produce more low- and zero emissions vehicles across all segments should not be rewarded with concessions and carve-outs. Australia should seek to harmonise our transport emissions reduction timeline with international best practice. Australians will cope with any shortfall of incoming vehicles during a transition period.

Targets and trajectories

The Council would support a target of all new and imported used vehicle sales from 2035 onwards being zero-emissions in operation, with a strong start and steady tightening of emissions standards and expansion to all vehicle types. A strong start is necessary to attract zero-emissions vehicles to our market immediately to displace fossil fuel vehicle sales and set a clear agenda for importers and infrastructure investment.

The Council does not support the use of limit curves, and advocates for a single emissions standard for all light vehicles. While the primary objective is to reduce emissions, there are other benefits from encouraging people to drive smaller vehicles or choose other transport modes.

Any supporting incentives intended to drive uptake of electric vehicles should also extend to other electric mobility rideables, including motorbikes, scooters, bicycles, cargo bikes etc, as these are cheaper, lighter, substantially lower in lifecycle/embedded emissions and deliver other benefits such as reduced congestion on roads and better public health outcomes. All incentive schemes need to be assessed for perverse outcomes such as purchasing heavier-than-needed vehicles or frequent replacement of vehicles.

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[5] SMaRT@UNSW https://www.smart.unsw.edu.au/ and CSIRO Circular Economy https://research.csiro.au/circulareconomy/

[6] Raworth, K, 2023, 'What on Earth is the doughnut?', https://www.kateraworth.com/doughnut/

The Council also supports the Australian Electric Vehicle Association's recommendation for a universal, federally collected, mass-multiplied road user charge for all vehicles once electric vehicles reach 30% of all new vehicle sales. This would have the dual effect of encouraging the purchase of smaller, more efficient vehicles and providing revenue for road maintenance and charging infrastructure.

Flexibility, credits and refrigerants

Like other forms of carbon offsets, the Council does not support the use of credits or other flexibility mechanisms that would enable the continued purchase of polluting vehicles. The objective is absolute and actual emissions reductions, not administrative pretence.

Refrigerants should be required to meet low global warming potential standards regulated by the Montreal Protocol, not an incentive scheme.

Start date, penalties and governance

The new standard should be implemented with urgency. This is not a new topic. The world has been moving in this direction for decades. The Australian market cannot claim to be caught by surprise.

Penalties should be aligned with global best practice, substantial enough to ensure compliance and motivate change.

Public reporting and governance along the lines of annual National Greenhouse Accounts and the Clean Energy Regulator is essential.

Summary and Recommendations

The Conservation Council supports the immediate implementation of a national fuel efficiency standard that effectively prevents the sale of new fossil fuel vehicles.

The Council further recommends that:

- A single efficiency standard immediately apply to all passenger and light commercial vehicles
- The standard is rapidly extended to all road vehicles
- No limit curves, credits or other exceptions are employed
- A mass-multiplied road user charge for all vehicles be implemented once electric vehicles reach 30% of all new vehicle sales
- The standard is accompanied by a comprehensive transport strategy and communications campaign that encourages alternative modes of transport
- The standard is accompanied by a strategy for circularity in vehicle lifecycles, particularly a mandatory product stewardship scheme, mandatory recycled content targets, and mandatory lifecycle ecological footprint labelling.