



31.5.23

Department of Infrastructure, Transport, Regional Development, Communications and the Arts  
GPO Box 2154  
Canberra ACT 2601  
Attention: Director, Fuel Efficiency Standards—Surface Transport Emissions and Policy Division

Dear Director

Thank you for the opportunity to comment on the federal government's proposal to introduce a vehicle fuel efficiency standard (FES). We are retirees living in the mid-north coast region of NSW. We moved here from inner city Sydney in December 2020 and now use our car a lot more often and for longer distances than when we lived close to public transport. We drive a small 23 year old car and would like to buy an electric vehicle in the near future, mainly as a way to reduce our greenhouse gas emissions. Our main concerns about buying an EV now are the limited types of EVs currently available in our price range and the lack of fast charging infrastructure in regional and rural areas.

We understand the cost-saving benefits of a strong FES will be greater for regional drivers, relative to city drivers, because we typically spend a higher percent of weekly earnings on transport costs due to longer average commutes, higher regional fuel prices and higher rates of car ownership. We are concerned that these additional fuel costs for regional residents will continue if there is any further delay in introducing a FES.

The early introduction of a strong FES would alleviate our concerns.

Our comments on the consultation paper follow the numbering in the paper. They are:

#### **4. Principles for setting a FES**

We support the proposed principles and make the following suggestions and additions:

##### **Ambitious**

Australia is starting way behind the EU and other countries, including New Zealand and the USA. We will need to introduce a strong FES to catch up with the rest of the world, to accord with the government's commitment to the Paris Agreement and a 1.5 C trajectory.

##### **Clean**

The charging infrastructure for EVs needs to be clean: there is little point in a FES encouraging a rapid take up of EVs if charging them relies on power generated by coal or gas. The electricity grid will have to become renewable for a FES to be really effective.

## **Transparent**

As part of the transparency principle proposed, the fuel emissions data should be intelligible, available to the public and linked to overall greenhouse gas reductions.

## **Equitable**

As part of the equity principle proposed, the FES must take into account the cost of living, the effects of fuel prices and maintenance costs on consumers, especially those with low incomes. Delaying the benefits of EVs and fuel-efficient vehicles to consumers will mean they are paying more for fuel and maintenance in the short term. A FES should result in reduced spending on fuel and maintenance for consumers over time.

## **5. FES design features**

The general principles should produce a strong FES that puts Australia in the same position as other markets like the European Union and New Zealand, and encourages all vehicle sales to be electric by 2030 or 2035 at latest.

### **5.1 Average annual emissions ceiling**

We need to catch up with other countries by meeting the emissions ceiling of the country with the lowest (best) ceiling, and preferably beating that ceiling by 10%. At a minimum our ceiling should start at New Zealand's emissions ceiling, but preferably 10% stronger than that level.

On the trajectory graphs presented, the straight line approach may be the most appropriate.

Targets should be set 5 years in advance, reaching zero emissions by 2035 and the FES should be reviewed every 2 years

There should be one FES for all light vehicle classes (cars, light and heavy SUVs, and light commercial vehicles). Why complicate it? We don't need any more heavy SUVs.

The "curve" should be a linear approach.

### **5.2 Additional flexibility mechanisms to minimise impacts to consumers**

Australia needs a strong FES standard, without any loopholes or dubious accounting tricks, to accelerate our transition to EVs.

The advantages of the credit systems outlined in the paper appear to be outweighed by the disadvantages. Everyone knows how poorly the carbon credit/offsets systems work for the environment at the moment!

### **5.3 Bonus credits for new innovative technologies**

The FES should not include multiplier credits (super credits) because they would not result in any real emissions reductions. The super credits discussed in the paper are not for innovative technologies – hybrids, plug-in hybrids and EVs have existed for years and are no longer innovative.

If the government does decide to provide super credits they should apply only to real innovative technologies, e.g. the development of more affordable EVs (say under \$40,000) and EV utilities – a recent demonstration of an EV ute that we attended, along with about 40 other residents in Bellingen, had a price tag of \$95,000 which is way out of most people's price range.

Super credits could possibly be useful for EVs with a significant portion of their components made in Australia.

Any super credits allowed should be capped, apply at a rate of less than 1.5 per vehicle and be phased out after 3 years.

### **5.4 When should a FES start?**

The FES should start on 1 July 2024. That should allow manufacturers and distributors adequate time to get ready for it.

### **5.5 Penalties for non-compliance and enforcement mechanisms**

Penalties between \$100 and \$150 per gram appear appropriate.

### **5.6 Information disclosure**

Data regarding the portion of emissions abatement for each manufacturer should be available to the public.

### **5.7 Governance arrangements and other matters**

Whoever the regulator is, whether the Department or another body, it is vital that the government provide adequate resources for the regulator to do its job. Various federal regulators have been under-resourced for years, e.g. the Office of the Australian Information Commissioner. Under-resourcing leads to dissatisfaction with the regulator and makes a mockery of the regulatory mechanism itself.

Regards



Maureen Kingshott



Barbara Guthrie