



**Mazda Australia Submission to:
Fuel Efficiency Standard — Cleaner and Cheaper-to-run Cars for Australia
Consultation paper May 2023**

31 May 2023

Introduction

Mazda Australia is the importer of Mazda branded passenger and light commercial vehicles, sold through Mazda branded dealerships in Australia.

For the past ten years Mazda has focused on reducing emissions by improving the efficiency of the internal combustion engine, using our *Skyactiv* suite of technologies. For our next generation of vehicles, emission reduction will be achieved with a multi-solution strategy. Products developed with the *Skyactiv Multi-Solution Scalable Architecture* will include hybrid electric vehicles, plug-in hybrid electric vehicles and battery electric vehicles. This multi-solution strategy will allow us to reduce emissions while offering vehicles to suit a range of consumer needs and budgets.

Mazda Australia welcomes the opportunity to provide a submission to the Fuel Efficiency Standard Consultation Paper. This submission includes high-level views of Mazda Australia, but we endorse the more comprehensive submission of the Federal Chamber of Automotive Industries (FCAI).

Fuel Efficiency Standard

Mazda Australia supports the introduction of a fuel efficiency standard for vehicles as the best method to reduce greenhouse gas emissions, improve running costs for Australian consumers and lower air pollution.

The fuel efficiency standard should:

- Be based on average tailpipe CO₂ emissions.
- Have ambitious, but achievable targets.
- Be mandatory and legislated.
- Be focused on the needs and budgets of Australian consumers and businesses.
- Be technology agnostic to ensure that the best solutions are developed and brought to market to support the needs of Australian consumers.
- Include annual improvement rates to CO₂ targets in line with those being targeted or achieved in other developed markets.
- Include regular reviews to monitor and respond to any changes to market conditions and available technologies.
- Include separate targets for passenger vehicle and light commercial / off-road 4WD vehicles to ensure that the vehicles needed by Australian consumers remain available.
- Include multiplier credits for Low and Zero Emission Vehicles (LZEVs) that are linked to the CO₂ target. These multiplier credits can be reduced over time as LZEV penetration increases.
- Include “off-cycle” credits to recognise emission reduction technologies that are not captured in the standard emissions tests which form the basis of the CO₂ target.



- Include credits for Low Global Warming Potential refrigerants.
- Allow trading of credits between manufacturers.

The FCAI's voluntary CO2 standard includes a comprehensive framework which could form a strong basis for a mandatory fuel efficiency standard.

In addition to the fuel efficiency standard, we believe that other measures are required to fast track the transition to low or zero emission vehicles. These include:

- A comprehensive national network of charging infrastructure for plug-in vehicles.
 - For publicly funded infrastructure, minimum uptime standards should be mandated.
- Incentives or standards to increase home charging capability.
- Measures to expedite the availability of affordable LZEVs.
 - This could include increasing government fleet penetration and turnover rates.

Other Considerations

Any fuel efficiency standard should also take into account the fact that Australia is a small market in global terms, accounting for around one percent of global sales. Additionally, Australia is a right-hand drive market, a minority amongst global markets, and has unique certification requirements. These factors will limit the availability of vehicle models compared to the large North American and European markets.

Australia's vast distances create unique challenges for battery electric vehicles, meaning that even with comprehensive charging infrastructure, BEVs may not be suitable for all consumers.

Towing is a very common requirement amongst Australian consumers and businesses, for both work and recreational purposes. With current technologies, BEVs are not suitable for heavy towing. Examples from the US pickups show that for large BEV pickups, range can be reduced by more than two thirds when towing heavy trailers, particularly those with high aerodynamic drag such as caravans.

Conclusion

Mazda Australia supports the introduction of a mandatory fuel efficiency standard based on ambitious, achievable targets that are technology agnostic and focussed on the needs of Australian consumers. We also endorse the FCAI's submission to the consultation paper and believe the FCAI is best placed to assist the government with development of the standard.