

Australia Urgently Needs Tough Mandatory Limits on Vehicle Emissions for New Vehicles – Eko Submission0523

Vehicle emissions are killing people all around the world and making a large contributing to the climate crisis.

Australia has for years been a conspicuous exception in the global light vehicle market, with its by international standards comparatively fuel inefficient and anachronistic vehicle fleet. Specifically, in 2018 the average carbon dioxide (CO₂) intensity for new passenger vehicles in Australia was 169.8gCO₂/km compared to 129.9gCO₂/km in the United States, 120.4gCO₂/km in Europe and 114.6gCO₂/km in Japan.

Internationally, regulatory approaches to increase fuel efficiency and lower carbon emissions from vehicle fleets are commonplace, and fuel efficiency standards, sometimes referred to as CO₂ emissions standards, have been adopted in around 80% of the global light vehicle market. Fuel efficiency standards regulate the efficiency of new vehicles sold, and they involve an average efficiency target. Manufacturers pay a penalty for exceeding the target, based on the average emissions of the new vehicles they sell. Manufacturers can sell vehicle models with emissions performance above the target, but they must also sell low emissions/high efficiency models to meet the average standard and avoid penalty.

The introduction of mandatory fuel efficiency standards in Australia would bring a number of benefits. Such standards would directly reduce Australia's transport emissions, which account for 18% of Australia's emissions and are still rising. They would also save motorist money on fuel costs, reduce the need for imported oil in Australia, and encourage vehicle manufacturers to supply electric and more efficient models to the Australian market.

If fuel efficiency standards had been introduced in 2016:

- 9 million tonnes of CO₂ would have been prevented – similar to a year's worth of emissions from domestic aviation;
- \$5.9 billion in fuel costs would have been saved;
- 4000 megalitres of imported fuel would not have been needed.

Fuel efficiency standards should be designed with some core principles in mind. They must be:

- Strong and aligned with Australia's emissions reductions commitments;
- Lead eventually to a ban on new fossil fuelled vehicle sales by 2030 or 2035 at the latest;
- Implemented as soon as practicable;
- Have integrity. The standards must be mandatory, independent from industry, and based on well-established and publicly accessible data.

Unsurprisingly, there is broad support amongst Australians for the introduction of fuel efficiency standards, as evidenced by Climate of the Nation 2021, a nation-wide survey of attitudes to climate change which showed that 65% of Australians support the introduction of national fuel efficiency standards in line with those in Europe.

Until just over a month ago when the federal government released a public Consultation Paper on introducing fuel efficiency standards for cleaner and cheaper-to-run cars for Australia as well as its national electrical vehicle strategy, the main barrier to introducing mandatory fuel efficiency standards in Australia had been a lack of political will. Most recently Toyota Australia's sales boss Sean Hanley has argued that electric vehicles are not ready to replace all cars and a push to do so could leave thousands of Australian motorists behind. This is a serious challenge to the government's intentions given that Toyota, which dominates the Australian auto market, sold more than 230,000 vehicles in the country in 2022, more than twice its nearest competitor. Toyota is clearly signalling its self-interested intention to keep promoting its hybrid and fuel-cell technologies that will lock its customers into paying for fossil fuels for decades to come.

Unlike Toyota, given that Australia's transport emissions are still increasing annually and the accelerating rates of global greenhouse emissions and climate change, Australians are keen to implement a policy of 100% zero emissions new vehicle sales by 2030 or 2035 at the latest. Slow-to-adapt vehicle manufacturers like Toyota must not be allowed to hijack the implementation of sensible government policy.

Australia can no longer allow corporations like Toyota and others to continue to put short term profits before people's health and a liveable planet.