

Peter Haughton

Throughout this submission if I have not responded to a question I either have nothing to contribute to that topic or I am not qualified to comment on it.

I would like the Australian and State Governments to engage in projects that deliver Renewable Energy and Electric Transport both private and public to our community. A principal reason behind that desire is to remove the emissions behind our current energy generation and current transport methods that more and more research is showing has drastic on-going effects on our individual, community, society and world-wide health that will not be corrected until all those emissions are fully abated. I recognise that all living things are affected by these emissions.

I'm doing the best I can towards reducing emissions. I have had solar panels on my roof since 2007, a home battery since 2017, and recently purchased an electric car.

I strongly believe that when referring to cars and light commercial vehicles, combining Zero Emissions Vehicles (essentially Battery Electric Vehicles [BEVs] only in Australia) with Low Emission Vehicles (almost non-existent in Australia at present) in the acronym LZEV impedes drastically the aim of reducing emissions. Low emission vehicles are ICE vehicles. Any way of referring to them other than as Low Emission ICE Vehicles or LEICEs or LICE allows their promoters to reduce the knowledge or sense that they are vehicles that **emit pollution**. Combining LICE with BEVs in the acronym LZEVs helps suppliers to advertise their LICE as meeting the same Australian Standards as BEVs.

Australians and suppliers of ICE vehicles to Australia under a future Fuel Efficiency Standard (FES) should understand that there is a reduced emission standard suppliers **have** to achieve with those LICE irrespective of an even lower standard they may be able to avoid by also supplying EVs (or purchasing rights from other EV suppliers) to reduce their average emission levels per vehicle. That understanding on the part of Australians will be harder to achieve if suppliers are allowed to call all their vehicles LZEVs.

GENERAL guiding principles

- **Are these the right guiding principles? Are there other principles that you think we should keep in mind?**

Yes and Yes. As set out above. The language around the laws and documentation used in the FES should not allow suppliers to mislead customers about the standards their vehicles/goods meet.

GENERAL Design assumptions

- **Are there any design assumptions that you think will put at risk the implementation of a good FES for Australia?**

Yes. The first Design Assumption states correctly that the FES should apply only to vehicles entering the Australian market for the first time. It is then undermined by the second sentence and the footnote, both of which should be replaced by: The Australian FES will apply to new vehicles whether imported or manufactured domestically, and to newly imported used cars.

The second Design Assumption will allow the absolute worst emission vehicles to be sold provided the supplier's average emissions are above a specified FES. Consequently, I believe that there should be an absolute minimum FES or FESs that all light vehicles/equipment should adhere to.

- **Are the exclusions for military, law enforcement, emergency services, agricultural equipment and motorcycles the right ones?**

No. I note that the military, law enforcement and emergency services use thousands of light vehicles. The text after “Apply to light vehicles” should make clear that light vehicles used by those services must meet the FES. Those services are part of and operate within our society and their disposals are part of our second hand vehicle supply. Why should those services be allowed to continue affecting our health? Why should their disposals be allowed to continue affecting our health?

No. I believe that ICE motorcycles especially two-stroke versions should meet suitable FESs.

No. I believe that the ICE engines especially two-stroke versions in all agricultural equipment should meet suitable FESs. The same should apply to ICE engines in tools used in industry AND domestically.

GENERAL FES Design features

- **Are there any particular FES features that you think we need to take particular care with?**

Yes. I have concerns about local manufacturers and manufacturing of Zero Emission Vehicles (ZEVs) and parts for same. Several startups proposed local manufacture of ZEVs in the last decade but were totally thwarted by the previous government’s inaction on Climate Change. I do not want such ZEV startups impeded in any way in the future by any FES and rules adopted that would advantage imports over local manufacture.

GENERAL Starting emissions level limit and approach

- **What principles should we consider when setting the targets?**

TECHNICAL Starting emissions level limit and approach

- **What should Australia’s CO2 FES target be?**

The same as the European Union or the highest level (i.e., lowest emission level) that our major market supply sources of LICE vehicles is at.

- **How quickly should emissions reduce over what timeframe?**

As quickly as possible but not faster than the European Union or the fastest of whichever of our major market supply sources of LICE vehicles is proceeding.

- **Should the Australian FES start slow with a strong finish, start strong, or be a straight line or take a different approach?**

Because Australia is late to apply FESs, I believe we should **start strong**. We should end with a **cliff finish**, or in other words when there is adequate supply of ZEVs for all needs and no need for LICE vehicles the LICE vehicle supply should be turned off and prohibited.

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GENERAL Adjustments of limit level

- **How many years ahead should the Government set emissions targets, and with what review mechanism to set limits for the following period?**

The Government should **set** limits **for each of** the five years ahead, and propose limits for the ten years after that. Proposed limits should be revised every year well before they become the set limit.

- **How should the Government address the risks of the standard being found to be too weak or too strong while it is operating?**

Amend the FES immediately. Inaction will just cause greater problems.

TECHNICAL Attribute-based emissions limit curve

- **Should an Australian FES adopt a mass-based or footprint-based limit curve?**

Mass based. Australia does not want to get into arguments about where on the tyres the footprint is measured, especially if varying tyre widths are fitted.

- **If Australia adopts a mass-based limit curve, should it be based on mass in running order, kerb mass, or another measure?**

Insufficient definition supplied as to how each is calculated to be able to say.

- **Should Australia consider a variant of the New Zealand approach to address incentives for very light and very heavy vehicles? If so, noting that new vehicles that weigh under 1,200 kg are rare, where should the weight thresholds be set?**

TECHNICAL Multiple targets

- **Should an Australian FES adopt two emissions targets for different classes of vehicles?**

Yes if it is necessary to obtain supplies of different types.

- **Is there a way to manage the risk that adopting two targets erodes the effectiveness of an Australian FES by creating an incentive to shift vehicle sales to the higher emission LCV category?**

Yes. Apply a limit to the higher FES vehicle numbers that is a percentage less than 100 of the lower FES vehicle numbers, and which reduces over time to zero as the FES reduces to zero.

- **Is there anything else we should bear in mind as we consider this design feature?**
- **Are there other policy interventions that might encourage more efficient vehicle choices?**

TECHNICAL Credit banking, transferring and pooling

- **To what extent should the Australian FES allow credit banking, transferring and/or pooling?**

No more than other jurisdictions currently do.

- **Should credits expire? In what timeframe?**

Yes. Whenever the FES under which they were earned reduces.

TECHNICAL Multipliers for LZEVS

- **Should an Australian FES include multiplier credits for LZEVS?**

If the Australian FES ever does include multiplier credits they should **only** apply to BEVs, **never** plug-in hybrid electric vehicles (PHEVs) and **never** LICE.

As other jurisdictions are all phasing multipliers out by 2024 and the current situation in Australia appears to indicate no FES before 2024 then Australia should not be considering multiplier credits.

- **If so, what level should the multipliers be, should they apply equally to both classes of vehicle (if adopted) and for how long should they apply?**

They should only apply to BEVs.

- **Should the total benefit available from these credits be capped?**

Not if it is restricted to BEVs entirely.

- **If not, should the Government consider another approach to incentivising the supply and uptake of LZEVS?**

Yes—a zero emission vehicle mandate.

TECHNICAL Multipliers for LZEVS

- **Should an Australian FES include multiplier credits for LZEVS?**

Given the statements in the introduction to this section, no!

- **If so, what level should the multipliers be, should they apply equally to both classes of vehicle (if adopted) and for how long should they apply?**

Only to BEVs.

- **Should the total benefit available from these credits be capped?**

Yes.

- **If not, should the Government consider another approach to incentivising the supply and uptake of LZEVS?**

Yes—a zero emission vehicle mandate.

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TECHNICAL Air conditioning refrigerant gas credits

- **Should an Australian FES include credits for using low global warming potential air conditioning refrigerants, and if so, for how long should this credit be available?**

Yes, but only for as long as the refrigerants are being used ahead of their requirement under the Montreal Protocol.

- **Could the issue of high global warming potential refrigerants be better dealt with by another policy or legislative framework?**

Probably.

- **If such a credit is permitted, should the emissions target be lowered to ensure consumers realise the fuel cost savings and LZEV availability benefits of a FES?**

I'm sure the connection between using low global warming potential air conditioning refrigerants and reducing the emissions target would be recognised by some consumers, but the connection to consumers realising fuel cost savings and LZEV availability benefits eludes me?

TECHNICAL When should a FES start?

- **When do you think a FES should start?**

NOW!! Apply an interim FES now, so that suppliers are ready and complying when the full FES is legislated and ready to go.

- **How should the start date interact with the average annual emissions ceiling?**

Why should there be any interaction?

- **Should the Government provide incentives for the supply of LZEVs ahead of a FES commencing? If so, how?**

By applying an interim FES. You must have a knowledge of which level, European or US, that the government wishes to adopt eventually. If you don't, you will gain one pretty quickly from the submissions made. Announce now when the interim one will commence and what it involves.

TECHNICAL Penalties for each gram per kilometre

- **What should the penalties per gram be? Would penalties of AUD\$100 per gram provide a good balance between objectives? What is the case for higher penalties?**

TECHNICAL Information that suppliers will need to keep and supply

- **The Government is keen to ensure any regulatory administrative costs are kept to a minimum while ensuring that outcomes are robust. What should the department keep in mind in designing the system for suppliers to provide information and in relation to record keeping obligations?**

- **What should the reporting obligations be? What information should be published and how regularly?**
- **How long should suppliers keep required information?**
- **Is a penalty of 60 penalty units appropriate for this purpose?**

TECHNICAL Other regulatory mechanisms

- **Should the regulator be the department? What other options are there?**
- **How should the regulated entity be defined in an Australian FES?**
- **What reasons are there to depart from the standard regulatory tool kit for an Australian FES?**
- **Should an Australian FES use WLTP test results in anticipation of the adoption of Euro 6 and if so, what conversion should be applied to existing NEDC test results, or how might such a factor be determined?**