

Submission to the Australian Fuel Efficiency Standard consultation

The Southcoast Health and Sustainability Alliance (SHASA) is a volunteer community organisation in Eurobodalla Shire on the south coast of NSW.

We currently administer \$900,000 of predominantly grant money which is used for community projects and actions that will improve the well-being of our community. Our recent activities include 2 very successful Electric Vehicle Expos in October 2022 and March 2023, attended by over 1,000 people on each day. SHASA is also partnering with the ANU and Essential Energy in the Southcoast Microgrids Feasibility Project.

One of our aims is to engage in projects that deliver Renewable Energy and Electric Transport both private and public to our community. A principal reason behind that aim 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. We recognise that all living things are affected by these emissions.

SHASA believes that it is imperative that Australia move to world-class vehicle emissions standards as quickly as possible. As the discussion paper recognises, we are starting from behind in this. For too long, Australia has been a dumping ground for the worst-polluting models from multinational car companies.

We believe that the simplest and fastest approach is to adopt an existing international standard. International manufacturers will already be familiar with these standards and should have less difficulty complying. Using existing standards will hasten the transition by avoiding any need to “re-invent the wheel”.

GENERAL guiding principles

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

SHASA suggests that **Consistency with International Standards** should be added as a guiding principle. Design and implementation of a FES will be easier and quicker for both regulators and manufacturers if standards which already apply in other markets are adopted.

Which standards should Australia apply? The simplest approach might be to adopt the New Zealand standards with minimal change. Between the US and EU standards, SHASA would favour the EU Euro 6 standard as the most stringent and hence the quickest path to zero vehicle emissions. China is also adopting standards based on Euro 6.

We suggest that **Transparent** should be changed to **Simple and Transparent**. The need to avoid red tape is recognised in the discussion paper but we believe simplicity is an important guiding principle in its own right. Complex regulatory schemes provide opportunities to “game” the system by, for example, moving vehicles between categories. The language around the laws and documentation used in the FES should not allow suppliers to mislead regulators and 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?
- Are the exclusions for military, law enforcement, emergency services, agricultural equipment and motorcycles the right ones?

Generally SHASA agrees with the design assumptions for the FES. But Australia urgently needs emissions standards for all vehicles, particularly heavy vehicles. These make up 4% of our vehicle fleet but 19% of all vehicle emissions. We suggest the current consultation process should be broadened to include vehicles over 3.5 tonnes, and agricultural vehicles and motorcycles. Alternatively, parallel consultations should commence as soon as possible. Either way the aim should be a FES (or a set of FESs) covering all vehicles.

Where military, law enforcement and emergency services use light vehicles these are most likely to be commercially available models. So there is no reason that we can see to exempt these vehicles from the light vehicle FES. This issue may need to be revisited in the context of heavy vehicles.

GENERAL FES Design features

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

GENERAL Starting emissions level limit and approach

- What principles should we consider when setting the targets?

SHASA believes we should move as quickly as possible to international standards (either EU, NZ or US). The Government should announce as early as possible its intention to move to these standards (which manufacturers are already familiar with) pending legislation.

Any difficulties faced by manufacturers should be addressed by short-term exemptions which could include:

- exemptions for vehicles already in Australia or where a buyer has paid a deposit
- a short term moratorium on penalties (i.e initially enforcement is based on naming and shaming)

TECHNICAL

As we have said above, SHASA believes the quickest and simplest path forward is to adopt a current international standard for Australia. This renders much of the subsequent detailed discussion unnecessary. For example, multiplier credits for LZEVs should be adopted if they still form part of an international scheme, but not otherwise.