



Organisation questionnaire response

Privacy Setting: I agree for my response to be published with my name and position withheld.

What organisation do you represent? (required)	BMW Group Australia
Please rank the proposed options in order of preference. (optional)	Option A - 2nd, Option B - 1st, Option C - 3rd
Briefly, what are your reasons for your choice? (optional, 3000 character limit)	<p>Firstly, we support the government on its intention to implement the NVES. A fuel efficiency standard is an advancement that can take the industry in a positive and needed direction. Of the three options highlighted in the Consultation Impact Analysis, we are most receptive to Option B. It has the potential to balance opportunity and risk while being aligned with the country’s climate goals and offers the highest benefit-to-cost ratio. In addition, we support that it is technology neutral, enabling a range of powertrains to achieve the NVES CO2 target.</p> <p>We also see merit in Option B’s push for an efficiency improvement pathway – a move that can broaden model and variant offerings – while recognising the advantages of how the passenger and light commercial vehicles are classified, and their different targets, to meet the mandated average figure. The banking and trading of credits is a judicious aspect of Option B, and that it has a competitive penalty rate that encourages OEMs to trade credits. We request that consideration be given to whether passenger vehicle credits can be traded directly with light commercial debits. Enabling this would have benefit for OEMs that do not have light commercial vehicles in their fleet while providing the opportunity for those that do have a high proportion of them.</p> <p>Our company is equipped to tailor its fleet to meet the targets. We already offer customers a balance of high efficiency, latest generation ICE variants – which will be fully calibrated for the planned and welcome changes to Australia’s fuel standards in December 2025 – PHEVs and a rapidly expanding array of BEVs. That said, we are of the view that the timing of the introduction should be reconsidered. In order for the industry to be ready for such a dramatic change, we believe the NVES should commence on January 1 2026, and that all CO2 targets in the ensuing years be in step with this revised timing. We would also value the opportunity for CO2 targets to be reviewed during the implementation process.</p>



	<p>We reference the efficiency standard in the US, where targets can be evaluated and discussed, to enable consultation among industry and OEMs during the standard’s rollout. Additionally, it would be beneficial to understand how target-setting or other specific elements of the NVES are influenced by Australia’s 2030 emissions target of a 43 per cent reduction below 2005 levels.</p>
<p>Do you support the Government's preferred option (Option B)? (optional)</p>	<p>Yes</p>
<p>Do you have any feedback on the analysis approach and key assumptions used? (optional, 3000 character limit)</p>	<p>We support the overall analysis approach, including the government’s key assumptions. We agree with the Electric Vehicle Council in declaring it would not be appropriate for the government to speculate on the future cost of credits traded in this scheme given its potential to interfere with the proposed market mechanism.</p> <p>While the technology-neutral standard appears to offer flexibility to manufacturers and facilitates credit trading, it is important to note that our understanding is limited regarding the government's exact stance. However, in line with the Electric Vehicle Council's perspective, we tentatively assume that credit trading operates at a reduced figure compared with penalty rates, typically running at around 40 to 50 percent.</p>
<p>Briefly, describe how the NVES might impact your organisation (optional, 3000 character limit)</p>	<p>Its introduction provides a range of benefits for our country, including reduced fuel costs at the bowser, a drop in emissions and improved air quality. Efforts to reduce emissions and create a cleaner future for all aligns with the core principles of our organisation. In addition, the NVES sends a strong message to the world of forward-thinking government policy relating to the automotive industry and emissions reduction. It thereby helps to put the country forward as an attractive location for investment across different areas of the rapidly evolving automotive industry.</p> <p>Numerous elements still need to be considered, knowing that Australia is still at a fledgling level of EV market penetration. The industry must band together to assist OEMs with the deployment of future-focused vehicle fleets and support their rollout. In this context, the deployment of a customer-focused recharging and potentially a H2 refuelling infrastructure is a key aspect to spur market adoption. Another critical factor is equipping aftersales and technicians with accredited training to bolster the downstream value chain. Our company is already active in this area, providing apprentices specialised training programs on high voltage systems.</p>
<p>Who should the regulated entity be? (optional, 3000 character limit)</p>	<p>We are in alignment with the government’s proposed approach for the regulated entity to be the type approval holder that first enters a particular vehicle on the Register of Approved Vehicles (RAV).</p>



Use of this system is proven and aligns regulation of the standard with the existing system for importing vehicles into Australia. We are already familiar with this as part of our importing and homologation process. This also prevents the implementation of a new system that would be cost and time prohibitive. It is imperative that the mechanics of the standard are established quickly, including the related backend IT systems. As per the above, we believe that for this and all other processes to be carried out appropriately and effectively – and to provide adequate time and resources for the industry and OEMs – the introduction date for the NVES should be moved to January 1, 2026.