CITY OF SYDNEY

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Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Draft City of Sydney Submission - Australian Government New Vehicle Efficiency Standard (NVES) 2024

The City of Sydney (the City) welcomes the opportunity to provide this submission to the Australian Government Consultation Impact Analysis for an Australian New Vehicle Efficiency Standard (NVES).

The preferred Option B is supported as it will reduce emissions, improve public health, lower costs, and reduce reliance on foreign oil. The NVES should be accompanied by complimentary priorities like supporting active and public transport, and electric vehicle charging in apartments buildings.

About the City of Sydney

The City has endorsed targets for net zero emissions across its local area by 2035, to reduce emissions by 70 per cent based on 2006 levels by 2030, and for at least half of the electricity to be from renewable sources by 2030.

As at June 2022 overall emissions for our area were 44 per cent below 2006 levels. Prior to the pandemic, transport emissions were around 18 per cent of total emissions and had been increasing as a share of total emissions as emissions reduced in other sectors like the electricity grid.

Our community strongly supports a city for walking and cycling with better public transport and fewer cars. We have various strategies, advocacy, and works underway to achieve this. Key strategies are:

- **Access strategy and action plan: continuing the vision**[1] outlines how we manage access and effective transport to create a sustainable city with initiatives such as cycleways, light rail, electric buses, traffic calming, widening footpaths, and reducing speed limits.

[1] www.cityofsydney.nsw.gov.au/strategies-action-plans/access-strategy-and-action-plan-continuing-the-vision

- **Electrification of transport in the city strategy and action plan**[2] outlines our approach to achieving net zero emissions transport by 2035 through a hierarchy of active, public, and shared transport, whilst supporting electric vehicle charging options. The strategy includes the following actions relevant to this submission:
    - *Action 2 - Advocate that the Australian Government immediately raise fuel and emissions standards to make electric vehicles more attractive, and to avoid Australia receiving vehicles not saleable elsewhere.*
    - *Action 3 - Advocate that the Australian Government develops a transition plan for new vehicles to be zero emissions by 2030 and powered by a fully renewable electricity grid by 2035.*
- **Cycling strategy and action plan**[3] is about making bicycle transport easier and safer to build on the progress we've made towards 10 per cent of all trips in the city to be made by bike.

Consultation questions

Do you support the Government's preferred option?

The introduction of any level of NVES will be a significant step forward for Australia in multiple environmental, health, and economic ways, including:

- *Reduced emissions* - The transport sector is a significant contributor to greenhouse gas emissions, accounting for 21% of Australia's total emissions. Implementing a NVES will lead to cleaner cars on our roads and is necessary for meeting the national goal of net zero emissions by 2050.
- *Competitiveness* - As other advanced economies have already implemented efficiency standards, Australia risks falling behind. By aligning with global standards, Australia can demonstrate its commitment to climate action.
- *Air quality* - Cleaner vehicles emit fewer pollutants, directly benefiting human health. Improved air quality reduces the incidence of respiratory diseases, cardiovascular conditions, and premature deaths.
- *Fuel savings* - Fuel efficient cars consume less fuel, resulting in significant cost savings for consumers that far outweigh the costs of making vehicles efficient.
- *Innovation* - The transition to cleaner vehicles will stimulate innovation and create jobs in research, development, and manufacturing of efficient technologies.

The impact analysis shows that Option B has the greatest benefit cost of the options presented and would result in significant emissions savings. Option C would lead to greater emissions savings however the benefit cost is estimated to be lower.

The longer it takes for Australia to implement a NVES, the more stringent those standards will need to be in order to align with other markets and for meeting Australia's emissions targets.

On that basis, and to avoid further delay, implementing Option B is supported.

However, given the rapid pace of technological change and international progress, the scheme should also allow for annual reviews and ratcheting based on the availability of affordable low emissions vehicles

[2] www.cityofsydney.nsw.gov.au/strategies-action-plans/electrification-transport-strategy-action-plan
[3] www.cityofsydney.nsw.gov.au/strategies-action-plans/cycling-strategy-and-action-plan

Recommendation 1. The Australian Government should proceed with legislating Option B to take effect by 1 January 2025 with an annual review cycle established to increase the rate of emissions reductions beyond what is being proposed based on the availability of affordable vehicles.

Describe how the NVES might impact your organisation.

The introduction of a NVES will help the City and its residents and businesses to meet our net zero and operational targets. By encouraging electric vehicles, it will also improve energy efficiency by avoiding energy that is lost burning fossil fuels in engines.

As an organisation, the City of Sydney has been certified carbon neutral by the Australian Government Climate Active program since 2011 which includes emissions from the fuel used in our fleet and major contracted services.

Our operational target is to cut total emissions by 80 per cent from 2006 levels by June 2025, without offsets. Our fleet target is to maintain emissions from the City's fleet below 2014 levels and aim to achieve zero fleet emissions by 2035 or sooner.

In 2020 we began using 100% renewable electricity for our operations, significantly cutting our greenhouse gas emissions. We are also focused on switching away from liquid fuels and gas and trimming our power use as part of our net zero approach.

As outlined in the introduction, the City has endorsed targets for net zero emissions across its local area by 2035, to reduce emissions by 70 per cent based on 2006 levels by 2030, and for at least half of the electricity to be from renewable sources by 2030.

We work collaboratively with leading organisations in our area towards these targets through our Better Buildings Partnership[4], Sustainable Destination Partnership[5] and CitySwitch Green Office[6] programs.

The NVES will also assist with the delivery of aims and actions contained within the City’s Electrification of transport in the city strategy and action plan through greater availability of electric cars and light commercial vehicles.

The City of Sydney operates a large fleet of light electric vehicles, maintenance equipment, and one electric conversion truck. Most of our fleet emissions come from heavy vehicles, yet at present there are no cost effective heavy fleet electric options available. The proposed NVES does not apply to heavy vehicles.

Recommendation 2. Set emissions limits for heavy vehicles via the NVES or other mechanism(s) to encourage manufacturers to supply affordable low or zero emissions heavy vehicles domestically in a short timeframe.

[4] www.betterbuildingspartnership.com.au
[5] www.sustainabledestinationpartnership.com.au
[6] www.cityswitch.net.au

Further information

In addition to the impact analysis questions, the following recommendations are made to be complimentary to the proposed NVES and should be prioritised.

National transport sector decarbonisation plan

The Australian Government is developing a decarbonisation plan for the transport sector as part of its whole of economy net zero plan. This is a welcome initiative, especially given that the NVES only applies to new cars and light commercial vehicles.

Zero emissions new cars

Low and zero emissions technologies are rapidly improving, and internationally, jurisdictions are setting increasingly stringent standards and banning the sale of new internal combustion cars, including:

- 2025 in Norway
- 2030 in Israel and Singapore
- 2035 for Britain, Canada, and the EU

Recommendation 3. The National transport sector decarbonisation plan should align with global best practice and consider banning the sale of new internal combustion cars (reducing the NVES to zero g/$C0_2$/km) in line with other jurisdictions and the availability of affordable vehicles.

Active transport

Encouraging the adoption of fuel-efficient vehicles will improve air quality and reduce noise in urban areas which can indirectly promote active transport modes such as cycling and walking. However, more needs to be done to prioritise and support active and public transport.

Recommendation 4. A transport hierarchy needs to be central to the transport decarbonisation plan to prioritise and support active and public transport including by providing funding to local governments for cycleways and active public spaces.

EV charging in apartment buildings

More than 80 per cent of residents in the City of Sydney live in apartment buildings, many are renters, and we have a high share of social housing. We have gathered significant insights into the challenges and opportunities faced by residents and owners corporations through our Smart Green Apartments[7] program and we are currently undertaking research into electric vehicle charging in apartment buildings.

Electrification of buildings and transport, powered by renewable electricity, will be critical for meeting City of Sydney and national emissions targets. Electrification also enables efficient grid interactive buildings that use energy at times when renewable energy is abundant, reducing afternoon peaks, and supporting the transition.

With electrification, the lines between stationary energy used in buildings and electric vehicle charging needs is becoming less distinct. The transport decarbonisation plan

[7] https://www.cityofsydney.nsw.gov.au/environmental-support-funding/smart-green-apartments

needs to consider and support the charging needs of electric vehicles as an important part of residential electrification.

Major challenges for EV charging in apartments include upfront costs, a lack of general awareness, supply constraints, skills and training needs, and access and equity issues - especially for people living in apartments, renting, and low income.

For existing apartment buildings, there are often space constraints and high cost implications to upgrade the electrical infrastructure required for electric vehicle charging. There are also complex and time consuming strata decision making processes.

The NVES will increase the availability of lower cost electric vehicles, leading to greater uptake overall, many of which will be located within the carparks of apartment buildings that require charging.

The energy infrastructure, electrification, and charging requirements induced by the NVES will also need to be considered in the context of the National Framework for Disclosure of Residential Energy Efficiency Information that is being developed.

Overcoming these challenges will also need to be a key focus for the National transport sector decarbonisation plan.

Recommendation 5. Develop a program with Federal funding to support owners corporations to electrify buildings and install electric vehicle charging in partnership with state and local governments in time for residential energy efficiency disclosure.

Should you wish to speak with a Council officer about this submission, please contact [redacted]

Yours sincerely

[redacted]

Monica Barone
Chief Executive Officer

Organisation questionnaire response

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

What organisation do you represent? (required)	City of Sydney
What is your name? (required)	Monica Barone
What is your position at the organisation? (required)	Chief Executive Officer
Please rank the proposed options in order of preference. (optional)	Option A - 3rd, Option B - 1st, Option C - 2nd
Briefly, what are your reasons for your choice? (optional, 3000 character limit)	See attached
Do you support the Government's preferred option (Option B)? (optional)	NULL
Do you have any feedback on the analysis approach and key assumptions used? (optional, 3000 character limit)	See attached
Briefly, describe how the NVES might impact your organisation (optional, 3000 character limit)	See attached
Who should the regulated entity be? (optional, 3000 character limit)	See attached