



ITE-ANZ

A Community of Transport Professionals

Australia and New Zealand Section Inc

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Fuel Efficiency Standard Consultation
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This submission can be made public.

cc The Hon. Catherine King, MP
Minister for Infrastructure, Transport, Regional Development and Local Government

The Hon. Chris Bowen, MP
Minister for Climate Change and Energy

16 February 2024

Dear Ministers

NEW VEHICLE EFFICIENCY STANDARD

The ITE-ANZ welcomes the proposed New Vehicle Efficiency Standard (NVES).

Our Institute supports Option B or Option C but fully rejects Option A as being far too weak.

We are disappointed that it has taken so long to introduce effective incentives to reduce CO₂ emissions in the transport sector and that the start date has been extended to 1 January 2025. However, we presume that industry will start to adapt in the knowledge that this new scheme is coming.

We are pleased that the proposed scheme has deliberately omitted super credits (multipliers for ZLEVs), off-cycle credits and air conditioning credits.

We fully support the proposal to include MA, MB and MC vehicles in the “passenger vehicle” category.

We support the headline emission target levels from 2025 to 2029 in Option C but would accept the levels in Option B.

Limit Curves and Vehicle Mass

In our submission in May 2023 in response to the *Fuel Efficiency Standard - Cleaner, Cheaper to Run Cars for Australia* consultation paper, we advocated for no fleet limit curves. The emissions target should be the same for all vehicles within the passenger vehicle category, regardless of size or mass. Each gram of CO₂ saved should be equally valuable in the scheme, regardless of the size of vehicle from which it is emitted. The scheme should encourage the purchase of smaller and lighter vehicles which would have a greater effect in achieving the following outcomes:

- reducing CO₂ emissions
- reducing other noxious emissions
- saving energy - both petrol and electricity
- reducing damage to road surfaces
- reducing the trauma from road crashes
- minimising problems with the size of parking bays.

The scheme should reverse the trend towards large SUVs being used as passenger vehicles.

A sloped limit curve gives distorted incentives. A supplier is helped to meet their emissions target more if they sell heavier zero- or low-emissions vehicles. But heavier EVs will use more electricity, some of which will be generated from fossil fuel sources for the next two decades or more.

The concept of a limit curve is complex and difficult for the community to understand. It goes against the principle of transparency. An emission standard that applies to all passenger vehicles, regardless of size or mass, is much simpler and gives the right incentives.

Our position on this has been somewhat mitigated by the proposed break points in the limit curves. Even so, in our view, including limit curves will continue the trend to larger, heavier vehicles with all their associated adverse effects.

ITE-ANZ Policy

The Institute of Transportation Engineers - Australia and New Zealand Section (ITE-ANZ) is part of an international organisation representing a community of transport professionals including transport engineers, transport planners, urban planners, consultants, educators and researchers.

We have no vested interest, except a desire to see the transport system be as safe, efficient and sustainable as possible for the sake of future generations.

Our policy position is as follows:

“ITE-ANZ firmly supports the adoption of a mandatory vehicle emission standard to control vehicle CO₂ emissions in Australia. This reform is long overdue and should be implemented with the greatest urgency. The standard should be ambitious and should be progressively tightened over time to align with those adopted by comparable countries around the world.”

We urge you to hold your ground on Option B. Any changes to the proposed design which dilute its effectiveness will be strongly criticised.

Yours sincerely

ITE-ANZ Secretary

