



# Organisation questionnaire response

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

<b>What organisation do you represent?</b>  (required)	Mazda Australia Pty Ltd
<b>Please rank the proposed options in order of preference.</b>  (optional)	Option A - 0th, Option B - 0th, Option C - 0th
<b>Briefly, what are your reasons for your choice?</b>  (optional, 3000 character limit)	<p>Mazda Australia supports the introduction of a fuel efficiency standard into the Australian market and is aligned with the FCAI position.</p> <p>Our concerns are around the difficulty bringing more efficient vehicles to market in the short time frames required in the Government's preferred option and the impact this will have for customers on both the vehicle purchase price and the availability of vehicles suitable for customers' work and leisure requirements.</p> <p>Our preference is for a modified version of Option B with: o A later start date that takes into account the availability of the technology required to meet the targets; o A realistic rate of annual CO2 reductions in line with other major markets, such as the US; o Supercredits for light commercial vehicles based on a percentage of the CO2 target to initially capture PHEV and BEV only, then phased out over several years as the technology becomes more prevalent; o A delay in the start of penalties, which would then start at a lower amount increasing annually in-line with the availability of appropriate technologies; o Off-cycle and air-conditioner credits included – these have a real-world impact on emissions but are not reflected in the ADR fuel consumption test.</p> <p>Option B is a very ambitious target that will be difficult to achieve without customer incentives. The government's own analysis shows that fuel efficiency is not a major consideration for Australian new vehicle buyers, which means that manufacturers will be forced to pass on fines in the form of higher prices to customers who continue to buy vehicles aligned with their needs or preferences.</p> <p>The government's stated objective of matching the US targets by 2028 does not consider that the US also offers customer incentives at federal and state levels. Without government incentives, customers will default to their preferred vehicle type, effectively delaying the take-up of low-emission vehicles. Incentives are more appropriate when technology is available.</p>



	<p>Option B also does not consider that the US offers off-cycle and air-conditioner credits. Their omission results in an effective CO2 target that is more ambitious than the US.</p>
<p><b>Do you support the Government's preferred option (Option B)?</b>  (optional)</p>	<p>No</p>
<p><b>Do you have any feedback on the analysis approach and key assumptions used?</b>  (optional, 3000 character limit)</p>	<p>Our biggest issue with the assumptions used is that there is no recognition that the fast start, aggressive targets and use of fines will result in vehicle price increases, especially without the availability of technologies required to meet targets. This significantly affects the cost/benefits calculations, potentially resulting a net cost to consumers.</p> <p>The government’s analysis shows that on the demand side fuel efficiency is not a major consideration for new vehicle buyers, but it is not proposing customer incentives to encourage the purchase of fuel-efficient vehicles. Effectively, Option B uses fines on the supply side as an indirect method to push prices of less efficient vehicles upward to adjust demand.</p> <p>A lack of initiatives for EV infrastructure in this proposal will also limit take up of BEVs.</p>
<p><b>Briefly, describe how the NVES might impact your organisation</b>  (optional, 3000 character limit)</p>	<p>The fast start combined with aggressive targets and fines will significantly affect the profitability and viability of our business and our ability to invest in the technologies required to reduce CO2 emissions.</p> <p>The timeline proposed by the government does not take into account the vehicle development times required by manufacturers. Even in cases where a suitable product is available in other markets, completing the engineering and homologation requirements to comply with Australian Design Rules and Australian Standards can take 12 months or more.</p> <p>If a suitable product is available in other markets, it is unlikely that we can introduce it in Australia before the fuel quality standards are in place at the end of 2025.</p> <p>Pickups account for 17% of Mazda sales and 20% of the industry, but there are no ZLEV pickup models currently available globally which are fit for purpose for all customer use cases - in particular, long-distance towing.</p>
<p><b>Who should the regulated entity be?</b>  (optional, 3000 character limit)</p>	<p>The regulated entity should be the vehicle importer/wholesaler, which will be the entity submitting the VIN to the RAV, not the type approval holder. The importer/wholesaler is already identified in RAV submissions. o In cases where a vehicle is sourced from another</p>



manufacturer, the original manufacturer may be identified as the type approval holder on the RAV. As the type approval holder is not the entity selling the vehicles and may not be an Australian entity, it cannot be responsible for credits, debits or fines. o Under the NVES, this type of vehicle sourcing may become more prevalent as one method of meeting targets.