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)	Nissan Motor Co. (Australia) Pty. Ltd.
Please rank the proposed options in order of preference. (optional)	Option A - 0th, Option B - 0th, Option C - 0th
Briefly, what are your reasons for your choice? (optional, 3000 character limit)	Nissan has long supported a national strategy that provides clear market direction to the industry. The introduction of vehicle emissions and transition targets provide certainty on which to base future product decisions. This has taken on a new significance as the auto industry balances ongoing improvements to ICE vehicles with the adoption of brand-new low and zero-emission technologies such as battery electric vehicles (BEVs). We endorse the goal of the Australian Government's NVES standards to increase the availability, affordability and efficiency of vehicles that Australians can access, and are keen to work together to identify the right mix of policies that will realize these ambitions. As a global business, we have longstanding experience of fuel efficiency standards in other markets, including the US, EU and New Zealand. Well-designed standards help consumers access a wider range of more accessible, affordable and efficient vehicles. Factors critical to success include: 1. Time to prepare model lineups is key. a. The auto industry operates to long product planning lead times. These stem from technology development, safety requirements and extensive testing in local conditions. There are limited opportunities to shorten these timelines. b. Given sufficient notice, efficiency standards can be an important factor in these planning processes: EU regulations were passed in 2014 and entered force in 2020, leading to a major decrease in emissions . 2. Measures to incentivize the introduction of leading-edge technologies, such as Technology Credits for electric vehicles, are vital. a. Technology Credits have played important roles in the EU, US and China CAFÉ schemes to incentivize investment in low-emission technologies . 3. Demand-side support is vital to embed new technology adoption.

	a. Even in countries with relatively advanced EV penetration, upfront cost and infrastructure availability remain key blockers for wider uptake. In the UK, 80% believe EVs are too expensive to buy, even when half view them as cheaper to run . b. Developed countries such as France, Germany and the US continue to provide consumer incentives to promote EV adoption. The Government's preferred Option B represents a good foundation for standards. However, without greater recognition of the above principles, it risks not achieving its stated goals of greater availability and affordability of vehicles for Australians. These risks can be mitigated by: 1. Including at least a two year penalty/debit grace period when the NVES is introduced in January 2025, to enable manufacturers to modify their line-ups and provide a start-up window for Government to perfect its regulatory model 2. Amend the Vehicle Type Approval requirements to speed up introduction of new vehicles 3. Include Technology Credits to incentivize ZEV introduction 4. Reclassify the MC category as LCVs 5. Remove Mass Break Points 6. Accompany the NVES with consumer incentives to promote ZEV uptake
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)	We have concerns that an inconsistent or incomplete approach to analysing the cost to consumers of Option B has been applied. The Impact Analysis (IA) states on p.19 that "evidence to date finds no purchase price impact, or a negligible purchase price impact, for consumers". This is based on studies in the US & EU that examined prices between 2003-21 and 2009-15 respectively. We do not believe that effective comparisons can be drawn between markets of the scale of the US and the EU and small, outlying markets comprised of generally conservative consumers such as Australia. Historic US & EU market analysis, drawing on data from the last 20 years does not provide a sound evidence base on which to design Australian policy interventions for the mid-21st Century, let alone customise and tailor government programs aimed at achieving policy outcomes Further, developing and running models to forecast future economic activity and consumer behaviour based on input assumptions from

	historic US and EU data would likely compound errors in predicted scenarios and their interpretation. As outlined in our response to Q6, standards regimes in the US & EU were introduced slowly, with due regard to the preparation time required by OEMs which face long product planning lead times. Under these circumstances, manufacturers had advance sight of the expectations they were required to meet and could plan their model offerings in a way that limited price increases for consumers. By contrast, OptB will give manufacturers less than 6months from the likely publication of final legislation to the introduction of standards and penalties for non-compliance. This is a markedly different scenario to those examined in the cited studies and risks Australian consumers facing immediate cost increases. A revised OptB, with a deferral of penalties, inclusion of Technology Credits, and accompanied by reforms to type approval processes, could mitigate these differences. Furthermore, the above statement appears to contradict the background analysis found elsewhere in the IA. S7.5 identifies "Communicating the long-term savings in fuel costs to consumers, despite an upfront and transitional increase in cost to the consumer in adopting fuel-efficient vehicles and technology" as an Intermediate and ongoing high-level challenge. The Key Assumptions set out in Annex B also calculate an estimated increased cost per ICE vehicle of $1,625 – this will likely be higher for models with specialised capabilities, such as those required in remote settings or by families. The assumptions also identify an average price differential between ICE and EV models of $15k to $20k, making clear the initial challenge for most Australians in adopting zero-emission technologies. Whilst the IA outlines expected fuel cost savings over time, in the initial implementation period of the scheme, high up-front costs will lead to retention of older vehicles. It's unclear if the environmental impact of this is considered
Briefly, describe how the NVES might impact your organisation (optional, 3000 character limit)	Nissan's mission is to achieve carbon neutrality and zero-emission vehicles by 2050, and to make electric vehicles accessible to everyone, everywhere. We are long-term advocates and innovators in clean technologies, from the launch of Nissan LEAF locally in 2012 to the introduction of energy management technologies in Australia such as vehicle-to-grid. Our Ambition 2030 plan demonstrates our commitment, including our target of increasing our global electrification sales mix to 55% by 2030. The auto industry works on long planning lead times: standards introduced now will be incorporated into planning cycles for vehicles that are still 5+ years out from launch. Any standards intending to be introduced sooner must therefore consider the difficulty for OEMs in making any meaningful adjustments.

	Australian Vehicle Type Approval (VTA) requirements also mean that introducing existing models that are available in other markets will require considerable lead time. Where vehicle specifications exist, current Australian homologation timeframes require a minimum of 20 months before a vehicle can come on sale. This does not include any lead-time to test and introduce technologies that are not currently available in Australia, or the business case needed to bring new models and technologies to the market. If the Government implements its preferred Option B in January 2025, Nissan will be subject to annual penalties of hundreds of millions of Australian dollars before the earliest moment that changes to the model line-up could be made. This risks presenting our business with an unfortunate choice: increase costs for Australian customers, or remove uneconomic models that Australian businesses and families need from the market. Neither is consistent with the intended goals of the NVES.
Who should the regulated entity be? (optional, 3000 character limit)	In simple terms, the supplier of the vehicle to the Australian market should be the regulated entity. In Nissan Australia's case, we would be the regulated entity for any vehicles imported, distributed and sold by Nissan Australia and our franchised dealer network. However, Nissan would not be the regulated entity for a Nissan vehicle imported by another entity (under the SEVS model for example). The importer of said vehicle would be the regulated entity in that instance.