



# SolarCitizens

A community voice for cleaner energy and transport

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Solar Citizens

Dear Honourable Minister King and Honourable Minister Bowen,

We thank you for the opportunity to provide feedback and recommendations for Australia's first mandatory New Vehicle Efficiency Standard. We strongly believe that this policy is the main lever to enable our country to tackle our quickly rising transport emissions and to help more Australians access the cost-saving benefits of more affordable, more efficient vehicles.

Australia is currently in the midst of the worst cost-of-living crisis in decades, where rents are skyrocketing, homeowners face mortgage cliffs, and at the same time, petrol prices are very high. A strong New Vehicle Efficiency Standard would start to address some of these challenges, and allow Australians to access cleaner, cheaper-to-run technology ASAP.

While the perspectives of and considerations for everyday Australian consumers were almost entirely absent from the initial Consultation Paper in April 2023, we applaud the Albanese Government's rigorous consideration of the costs and benefits of a New Vehicle Efficiency Standard, from a hip-pocket, emissions reduction, and health perspective.

As we detail in this submission, although we support the Government's preferred Option B, the most opportunities for struggling Australians are provided in Option C and we recommend it be adopted in full.

Finally, we would like to congratulate the efforts of the Department of Infrastructure, Transport, Regional Development and the Arts. We have met with the Surface Transport Emissions and Policy Division on numerous occasions over the past 18 months and have been consistently impressed with their abilities and handling of a range of stakeholders.

We look forward to supporting you in passing this legislation in a timely manner.

**Heidi Lee Douglas**

CEO, Solar Citizens



# Organisation questionnaire response

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

<b>What organisation do you represent?</b>  (required)	Solar Citizens
<b>What is your name?</b>  (required)	Heidi Lee Douglas
<b>What is your position at the organisation?</b>  (required)	CEO
<b>Please rank the proposed options in order of preference.</b>  (optional)	Option A - 3rd, Option B - 2nd, Option C - 1st
<b>Briefly, what are your reasons for your choice?</b>  (optional, 3000 character limit)	<p>Option C delivers the greatest cost savings and emissions reductions. If Option B is selected, it should include elements from Option C like a higher penalty price. From the outset, we want to affirm that Option A should not be considered for an Australian NVEs, as it achieves no real cost of living benefit nor emissions reduction, and is full of loopholes and complexity that favour offshore auto companies more than Australian consumers.</p> <p>WE SHOULD MAKE AUSTRALIAS STANDARDS THE STRONGEST IN THE WORLD</p> <p>The strong headline target in Option C will help us both catch up and crucially stay at the front of the global queue for efficient vehicles, making the Australian market attractive for a greater diversity of low emissions vehicles in models suitable for the variety of Australian lifestyles, geographies, and budgets; saving Australian consumers the most money in the long term; and rapidly reducing carbon emissions in line with the Paris Agreement. Although the headline targets of Option B are respectable, it would only catch up to the United States, and stay behind most other car markets (including other right-hand drive markets). As Australia makes up</p>
<b>Do you support the Government's preferred option (Option B)?</b>  (optional)	Yes
<b>Do you have any feedback on the analysis approach and key assumptions used?</b>	<p>INFERRED HEADLINE LIMIT</p> <p>We reject the assumption that the floor of the headline limit beyond 2029 should be 20g CO<sub>2</sub>/km. Instead, this should be 0g CO<sub>2</sub>/km from</p>



<p>(optional, 3000 character limit)</p>	<p>2035 at the latest, in line with the International Energy Agency’s recommendation for no new petrol or diesel vehicles to be sold from this time to meet our obligations under the Paris Agreement. This adjustment would increase the accumulated benefits of the NVES significantly.</p> <p><b>VEHICLE MAINTENANCE COSTS</b></p> <p>The cost savings for EVs has been slightly underestimated, at around \$375.95. This adjustment would lead to a slight increase in the accumulated benefits of the NVES.</p> <p>Using the Australian Bureau of Statistics’ 10,443 kilometres on average travelled per year and a maintenance cost of \$0.034 per km for EVs = \$355.06 per year spent, vs \$0.07 per km for petrol = \$731.01. Source: (EV maintenance cost number: International Council on Clean Transportation (2022) Assessment of LightDuty Electric Vehicle Costs and Consumer Benefits in the United States in the 2022- 2035 Time Frame.) Petrol maintenance cost number: EVSE Australia)</p> <p><b>EV PRICE PARITY</b></p> <p>We believe that EVs will achieve price parity with petrol and diesel vehicles by 2028, and that the Government’s analysis showing a linear progression is incorrect. This adjustment would lead to a slight increase in the accumulated benefits of the NVES. Source: Raising Standards Cutting Costs, Electric Vehicle Council (2023)</p>
<p><b>Briefly, describe how the NVES might impact your organisation</b></p> <p>(optional, 3000 character limit)</p>	<p>Solar Citizens represents 190,000 supporters of renewable energy and clean transport across Australia– people who are looking to slash their energy bills by harnessing clean technology like solar panels and EVs. In a recent supporter survey, we found that: 24% of respondents own an EV (BEV, PHEV or Hybrid), and 80% own a petrol/ diesel vehicle (9% own both) EV owners save an average of \$3,167 per year on fuel and maintenance costs compared to a petrol/ diesel vehicle, with BEV owners seeing the highest savings 43% of EV owners also have rooftop solar and are able to charge their vehicle at home and save an average of \$3,448 per year (compared to \$1,214 for those who can’t charge their EV at home) Two-thirds of those who don’t own an EV say the upfront cost is the main barrier to getting one. 79% of respondents said the issue of increased cost of living was somewhat/ very important to them. 73% of those with a petrol or diesel vehicle are moderately, very or extremely concerned about fuel costs.</p>
<p><b>Who should the regulated entity be?</b></p> <p>(optional, 3000 character limit)</p>	<p>NULL</p>