

CASANZ submission ‘Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard (NVES)’

1. About CASANZ

The Clean Air Society of Australia and New Zealand (CASANZ) is a non-profit, professional association dedicated to improving the quality of our air. CASANZ has been active for over 50 years, and currently has more than 600 members who have a professional interest in air quality science and management.

The society has members from a wide range of sectors, including federal, state and local governments, academia, business, industry, education, the law and the general community. CASANZ embraces the expertise and knowledge of its members to advance research and innovation, and to promote awareness and understanding of the issues affecting air quality.

CASANZ facilitates training courses, workshops, webinars and events. The society also hosts a biennial conference, and grants awards to leaders in the air quality, celebrating the work being done to achieve cleaner air in our region and beyond.

2. CASANZ interest in the topic

CASANZ features a range of ‘special interest’ groups, including a Transport Special Interest Group (TSIG) that focuses on understanding and minimising the climate and health impacts of transport-related air pollution. CASANZ regularly engages with federal government agencies regarding the development of transport emissions legislation, and welcomes this opportunity to offer constructive feedback on the Consultation Impact Analysis for the New Vehicle Efficiency Standard, which we refer to hereafter as the ‘the NVES’. CASANZ TSIG interest in the NVES stems from the fact that a well-designed standard would help to align the fuel efficiency of Australia’s future light duty vehicle fleet with globally accepted best practice. A well-designed NVES would facilitate the achievement of Australia’s 2030 and 2050 carbon emission goals, whereby transport is Australia’s third most polluting sector behind the electricity and stationary energy production sectors [1].

3. CASANZ feedback on the NVES

Overall, CASANZ welcomes the opportunity to respond to the Consultation Impact Analysis report published by The Department of Infrastructure, Transport, Regional Development, Communication and the Arts in February 2024. In contrast to the government’s preferred policy position, CASANZ believes that Option C (fast start) represents the best decision for Australian motorists and other impacted stakeholders. A few key reasons for this recommendation are that:

- At an economic level, option C provides the highest net benefit out of the three policy options presented. Option C represents a great opportunity for motorists to save on their fuel bill, and to provide greater choice for low emissions vehicle technology in Australia. It also helps to minimise the unnecessary climate and air quality burden from low-quality imported vehicle technology.
- Additionally, economic analysis of climate change mitigation [2] indicates that to minimise the monetary costs associated with future climate change impacts, early expenditure on climate change mitigation is preferred to late expenditure for a given level of expenditure. Option C thus provides a

great opportunity to target climate change mitigation early rather than to wait and be impacted by greater mitigation costs.

- At a technical level, it is important to consider the impacts of not being able to adopt Euro 6 emission standards until later this decade. This will mean that Australia will have to rely on the New European Drive Cycle (NEDC) for vehicle type approval until the Euro 6 standards are introduced. UTS testing of five sports utility vehicles (SUVs) in Sydney [3] showed that on-road CO₂ emissions of vehicles under real driving conditions were between 16-65% higher than the NEDC type approval limit. The large deviation between type-approved CO₂ and real-world CO₂ emissions underscores the need for greater ambition in reducing Australia's transport CO₂ burden. Option C; therefore, presents the most viable option for addressing this challenge.
- There is also the strong possibility that the Department's Impact Analysis report incorrectly reports that the CO₂ emissions burden from the conventional (i.e. internal combustion engine) passenger vehicle fleet in Australia is decreasing over time. Recent work published by the International Council on Clean Transportation [4] shows that fleet-averaged CO₂ emissions in Australia may have been increasing since 2015. This is due to a growing gap between type-approved and real-world CO₂ and also consumer preferences for larger passenger vehicles such as SUVs. For this reason, Australia should adopt more ambition in terms of its emissions trajectory and Option C represents the best way of achieving this outcome.
- It is also worth noting that the Department's Impact Analysis references alignment with the trajectory of the United States (US) fuel efficiency standards. The US is certainly not the leading jurisdiction for transport fuel use as other jurisdictions such as the European Union (EU) are more committed to reducing transport fuel use. Aligning the NVES with the EU targets would highlight that the ambition level of Australia's standards should increase and option C represents the best selection for achieving this outcome.

Altogether, CASANZ recommends that the department adopts the most ambitious NVES that enables Australia to rapidly catch up with leading jurisdictions and make up for the long delays Australia has experienced in addressing this issue. Fast and substantial catch-up action on this topic is certainly preferable to further delayed action from a social, economic and environmental perspective.

4. Authorisation

Prepared on behalf of the CASANZ TSIG with contributions by Dr Nic Surawski^{1,2}, Dr Robin Smit^{3,4}, Dr Paul Boulter⁵, Emily Kemp⁶, Sharon Atkins⁷, Justine Firth⁸, and Dr Marcel van der Schoot⁹.

¹ CASANZ ACT/NSW Branch Treasurer and TSIG committee member

² Associate Professor, School of Civil and Environmental Engineering, University of Technology Sydney

³ Adjunct Professor, School of Civil and Environmental Engineering, University of Technology Sydney TSIG committee member

⁴ Director: Transport Energy/Emission Research (TER)

⁵ EMM Consulting Pty Ltd TSIG committee member

⁶ Transport for New South Wales and TSIG co-chair

⁷ Waka Kotahi NZ Transport Agency and TSIG co-chair

⁸ The NSW Department of Climate Change, Energy, the Environment and Water and TSIG committee member

⁹ Victoria Department of Transport and Planning and TSIG committee member

5. References

[1] Commonwealth of Australia. 2024. Quarterly Update of Australia's National Greenhouse Gas Inventory: September 2023, pp 1-37, <https://www.dceew.gov.au/sites/default/files/documents/nggi-quarterly-update-sept-2023.pdf> (accessed 4th March 2024).

[2] R. Garnaut. (2019). Superpower: Australia's Low-Carbon Opportunity. La Trobe University Press, pp 1-224.

[3] Smit, R., M. Awadallah, S. Bagheri and N. C. Surawski (2022). Real-world emission factors for SUVs using on-board emission testing and geo-computation. Transportation Research Part D 107, Article Number: 103286, DOI: 10.1016/j.trd.2022.103286.

[4] Smit, R., T. Khan, and Z. Yang. (2024). How Australian light-duty vehicle CO2 emissions compare with the rest of the world, International Council on Clean Transportation, pp 1-12.



Organisation questionnaire response

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

What organisation do you represent? (required)	The Clean Air Society of Australia and New Zealand (CASANZ)
What is your name? (required)	Nic Surawski
What is your position at the organisation? (required)	NSW/ACT Branch Treasurer
Please rank the proposed options in order of preference. (optional)	Option A - 3rd, Option B - 2nd, Option C - 1st
Briefly, what are your reasons for your choice? (optional, 3000 character limit)	Please see our attachment submitted in section 11 for our justification.
Do you support the Government's preferred option (Option B)? (optional)	No
Do you have any feedback on the analysis approach and key assumptions used? (optional, 3000 character limit)	NULL
Briefly, describe how the NVES might impact your organisation (optional, 3000 character limit)	NULL
Who should the regulated entity be? (optional, 3000 character limit)	NULL