



The Hon Michael McCormack MP

**Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for Riverina**

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22 SEP 2020

Mr David Nash
Secretary
Institution of Transportation Engineers
Australia and New Zealand Section Inc.
secretary@ite.org.au

Dear Mr Nash

Thank you for your email of 1 September 2020 regarding mandatory vehicle standards for CO₂ emissions.

The Australian Government's goal is to encourage cleaner, more affordable cars that use less fuel, as this means cheaper bills for families and is better for our health and the environment. New vehicle technologies will help, while also offering greater choice and safety for Australian motorists. However, their take up must be driven by consumer demand, not regulation that restricts consumer choice.

The Government will not introduce a mandatory fuel efficiency standard that could increase the upfront cost of new vehicles for Australians. The Government wants a sensible approach that places fuel savings for the community front and centre, but ensures the vehicles that Australians value remain in the market. Vehicle manufacturers, through the Federal Chamber of Automotive Industries, have also recently introduced a voluntary fuel efficiency standard for its members, which account for 99 per cent of light vehicle sales in Australia, from 2020.

The Government is progressing practical measures to reduce the emissions intensity of Australia's vehicle fleet, by removing barriers to low and zero emission vehicles and helping Australians purchase cleaner vehicles if they choose to do so.

On 25 February 2019, the Government announced it would develop a national strategy to plan and manage the transition to new vehicle technologies and infrastructure. This strategy is part of the Government's Climate Solutions Package, a \$3.5 billion investment to deliver on Australia's 2030 emission reduction targets.

This strategy will build on existing Government support for new vehicle technologies, which includes:

- \$21 million of funding for charging infrastructure from the Australian Renewable Energy Agency to roll out ultra-fast charging sites through two networks along Australia's national highways;
- up to \$1.1 billion in finance available from the Clean Energy Finance Corporation to assist uptake of low and zero emissions vehicles; and
- \$25 million for the Future Battery Industries Cooperative Research Centre.

The Government expects to release a discussion paper for public consultation in the near future and I encourage you to take the opportunity to share your views. If you wish to be kept updated on the development of the strategy via email, please contact evstrategy@industry.gov.au.

Thank you for bringing your concerns to my attention and I trust this information is of assistance.

Yours sincerely



Michael McCormack