



Institute of Transportation Engineers

Australia and New Zealand Section Inc

ABN: 37 117 358 795

The Hon. Catherine King, MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600
Minister.King@mo.infrastructure.gov.au

cc The Hon. Chris Bowen, MP
Minister for Climate Change and Energy
Parliament House
CANBERRA ACT 2600
Chris.Bowen.MP@aph.gov.au

27 July 2022

Dear Minister King

MANDATORY VEHICLE EMISSION STANDARDS

I refer to our letter of 23 June 2022, and your encouraging response MC22-004283 of 25 July.

The Institute of Transportation Engineers - Australia and New Zealand Section (ITE-ANZ) is concerned that Australia has not yet introduced mandatory standards for vehicle CO₂ emissions.

We have written to your predecessors Michael McCormack (ref MC20-007337) and Barnaby Joyce (MC21-005833), receiving unhelpful replies.

Compared to similar countries, Australia's transport is energy intensive and fuel inefficient. The transport sector contributes around 19% of CO₂ emissions. Since 2005, transport emissions in Australia have increased more than 60%. The average CO₂ emissions for new passenger and light commercial vehicles sold in Australia is 45% higher than in Europe.

There is a long lead time to reduce those emissions due to the time it takes for the vehicle fleet to turn over. Immediate action is required for there to be any hope of meeting emissions reduction targets in this sector.

Mandatory emission standards have already been legislated in all comparable countries. It is a national embarrassment that Australia and Russia are the only developed countries that have not taken this important step.

Global manufacturers already have vehicles which meet the low emission standards set by countries in the major international markets. However, many of these low emission models are not available in Australia because, without mandatory standards, there is a strong incentive for the industry to continue to sell their petrol- and diesel-powered vehicles in the Australian market. Globally, carmakers are rolling out more EV and hybrid models, but Australians are being denied access to most of them due to the lack of government support.

The Federal Chamber of Automotive Industries (FCAI) is monitoring average emissions from each manufacturers' vehicle sales, but this process is purely voluntary and is having limited

impact. The FCAI fully supports replacing this with mandatory standards to send strong policy signals to the automotive industry, and to create certainty and a level playing field for the industry.

The Australian Trucking Association is also fully behind the move for heavy vehicles.

Emission standards will lead to a decrease in vehicle operating costs which will create savings to industry as well as individual households.

Low emission vehicles provide public health benefits by reducing particulate pollutants and noxious gases in the air that we breathe and reducing noise pollution.

A reduction in overall fuel consumption will improve Australia's fuel security and ability to survive supply disruptions.

Leaving vehicle emission improvements to market forces is clearly not enough. Although the number of EV and hybrid vehicles on the roads is slowly increasing, evidence from other countries and all Australian studies show that technology neutral, mandatory measures are necessary to achieve accelerated reduction in CO₂ emissions.

We welcome the new government's policy commitments to encourage the take up of EVs, but they are not enough. Of all the policy options available to the government to achieve climate change targets in the transport sector, imposing mandatory CO₂ standards is one of the easiest to implement with no adversely affected groups. The government would only need to fund the administrative costs, which would be minimal, and could be covered by any penalties imposed on the industry. It would be a simple matter to adapt the regulatory model from one of the more enlightened countries. The introduction of mandatory emission standards is self-evidently the most effective way to achieve a faster transition to low-emission vehicles over the next two decades.

Your Department has already done a lot of work developing a scheme and consulting the community. A Regulatory Impact Statement was completed in December 2016. Legislation must be implemented as soon as possible - it doesn't need to wait for another round of time-consuming policy development for the National Electric Vehicle Strategy.

Rather than asking your Department to draft a bureaucratic response, we ask you to answer these specific questions:

- Will you commit to introduce mandatory vehicle CO₂ emission standards for new vehicles in this term of government?
- If so, what will be the target level of fleet emissions in gCO₂/km in each target year?

You have the political capital. Now is the time to implement sound public policy in the best interests of the Australian people, the planet and our grandchildren.

Yours sincerely



David Nash
ITE-ANZ Secretary

