

Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
Canberra ACT 2601

26 May 2023

By email: cleanercars@infrastructure.gov.au

To whom it may concern,

re: Fuel Efficiency Standard (FES) Consultation Paper

On behalf of our members, the Victorian Greenhouse Alliances welcome the opportunity to respond to the Federal Government's consultation paper on the introduction of a new FES.

The Victorian Greenhouse Alliances are formal partnerships of local governments and statutory agencies driving climate change action across Victoria's municipalities. The Alliances deliver regional mitigation and adaptation programs that provide economies of scale and enable projects typically beyond the reach of individual councils and agencies. Our project work is complemented by targeted advocacy, capacity building and regional partnerships.

Many Victorian councils are now in the process of transitioning their fleets to electric vehicles as a key measure for delivering their emissions reduction targets. This work is increasingly being complemented by the roll-out of public charging infrastructure to facilitate the community's transition to zero emissions vehicles. These actions are enabling councils to play a key leadership role in their communities whilst stimulating the market for more efficient, cleaner vehicles.

We urge the Government to carefully consider the following key recommendations in designing the FES:

1. Commit to a target of all new cars sold being zero emissions by 2035

The target should be aligned to the latest climate science and seek to limit global warming to 1.5°C. This should be supported by the establishment of interim targets for each category of vehicle to provide certainty and a smooth transition for the vehicle market, businesses, and households. Interim targets should align with a 'strong start' limiting curve and allow for ambition to be adjusted over time as the market matures. Independent research indicates that this target can unlock billions in vehicle running cost savings compared to Australia's current trajectory.¹

2. Align with leading car markets such as the EU to ensure Australia is not a dumping-ground for polluting vehicles

The long-term absence of a FES in Australia has constrained the supply of electric and low emission vehicles and limited motorists to polluting options with high operating costs. Addressing this barrier will be critical for unlocking supply of cleaner more efficient vehicles. Many vehicle

¹ Climateworks Centre, 2022, Accelerating EV uptake: Policies to realise Australia's electric vehicle potential ([link](#))



manufacturers have already committed to only producing zero emissions vehicles by 2035 (or earlier).

3. Legislate a mandatory FES without loopholes

Compliance and regulation will be necessary to ensure auto manufacturers can't opt-out of any FES. This should include a standard for all passenger vehicles without exception, which would ensure larger road-based SUVs are captured. Currently, SUVs often subject to less stringent standards under Australia's voluntary schemes. The FES should not contain any loopholes and should include penalties for non-compliance.²

4. Include a target of all new heavy vehicles sold being zero-emissions by 2040

Twenty-seven countries, including the United States, Canada, New Zealand, Ireland, Norway and Ukraine, have committed to achieving 100% zero-emission new truck and bus sales, through the Memorandum of Understanding (MOU) on Zero-Emission Medium and Heavy-Duty Vehicles.³ Adopting similar targets in Australia will drive changes in the heavy vehicle market, making availability easier for Australia if such a target is introduced. Emissions from heavy trucks have more than doubled from 1990 to 2016 and are expected to grow faster than any other transport emissions in Australia.⁴

Many councils are struggling to transition their heavy vehicle fleets, mainly due to availability of vehicles and high costs. Introducing an ambitious standard for heavy vehicles will be necessary for Australia to deliver legislated emission reduction targets and provide long-term certainty for the market. The introduction of interim targets mandating the sale of Euro 7 standard heavy vehicles and complementary improvements to fuel standards will provide additional certainty and accelerate this transition. A detailed Regulatory Impact Statement (RIS) should be undertaken to understand the broader societal costs and benefits of these measures, particularly on rural communities.

5. Roll-out complimentary consumer education and labelling

The addition of consumer education throughout the purchasing journey will assist in stimulating demand and allow for a faster transition. Mandatory labelling in advertising and sales materials should provide transparency to consumers on the environmental and operating cost impacts of different makes and models. These complimentary measures will empower consumers to make more informed purchasing decisions.

Thank you for considering this submission. We welcome the opportunity to discuss any aspects of this submission in further detail and look forward to collaborating with the Federal Government on future programs and initiatives to facilitate the transition to a zero-emissions transport sector.

Greenhouse Alliances and contacts

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 - City of Greater Geelong
 - Golden Plains Shire
 - Surf Coast Shire

² Loophole examples include the modification of naming conventions to avoid requirements on specific vehicle classes and the use of 'defeat devices' to overcome tests justified by unsubstantiated operational, mechanical or safety claims

³ <https://globaldrivetozero.org/mou-nations/>

⁴ Climate Analytics 2019 <https://climateanalytics.org/media/australiacimatefactsheets2019-transportsector-climateanalytics.pdf>



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 - o Central Goldfields Shire Council
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 - o Hepburn Shire Council
 - o Loddon Shire Council
 - o Macedon Ranges Shire Council
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 - o Mitchell Shire Council
 - o Moira Shire Council
 - o Murrindindi Shire Council
 - o Towong Shire Council
 - o Strathbogie Shire Council
 - o Wangaratta Rural City Council



- o Wodonga City Council
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This letter has been approved through the Greenhouse Alliances governance structures but may not have been formally considered by individual members. The submission does not necessarily represent the views of all members.

