

ACF Submission to light vehicle CO2 emission standards for Australia Discussion Paper

The Australian Conservation Foundation (ACF) is committed to inspiring people to achieve a healthy environment for all Australians. For over 40 years we have been a strong voice for the environment, promoting solutions through research, consultation, education and partnerships. ACF is Australia's leading national not-for-profit environment organisation and we are funded almost entirely by over 40,000 individual members and supporters.

This submission responds to the questions contained within the discussion paper.

Summary

There are some clear challenges that Australia faces – the need to substantially reduce greenhouse gas emissions to avoid dangerous climate change, increasing scarce and expensive oil as well as ensuring greater social equity. These issues are not just environmental ones, but they clearly have economic and social implications. Mandating fuel efficiency standards is a logical step towards reducing the greenhouse emissions and fuel use of Australian vehicles as well as reducing the cost to households of having a motor vehicle.

However, advances in motor vehicle technologies and in fuel will not be enough to achieve the reductions in greenhouse gas emissions required to avoid dangerous climate change. The government has committed to an 80 per cent reduction in emissions by 2050 and the transport sector must do its fair share. This means complementary policies need to be considered as well as initiatives to support the behaviour change of Australians. Vehicle size, distance travelled and access to public and active transport are as important as the choice of vehicle and the fuel it consumes. As Australians, we must learn to drive less, particularly as sole occupants of cars. There is no silver bullet and a combination of measures will be necessary if we are to decouple transport sector growth from greenhouse gas emissions.

We congratulate the government for pursuing this initiative and welcome the opportunity for further engagement.

Recommendations:

ACF's key recommendation is to pursue an ambitious target range similar to the EU position of 130g CO₂/km by 2015 and 95gCO₂/km by 2020. Targets should be set every five years by an independent body such as the Climate Change Authority.

Q1: Do you support the setting of staged short and medium term targets?

Yes, staged targets are better as they provide ambition and give the industry certainty for not only the direction but also the extent of reductions required. As an example, the UK building industry saw a step change in their thinking and innovation when the government imposed an ambitious target of zero carbon new homes by 2016.

The discussion paper offers a number of options regarding percentage reduction ranges. Perhaps consideration could also be given to providing more ambitious options given the government's greenhouse gas emission reduction target of 80 per cent by 2050.

Q2: If yes, do you consider 2020 is the logical date for a firm second stage target?

2020 is the logical date as there is also likely to be a step change in technology at around that time. This is also consistent with the year the EU has set for the industry's second target and ACF believes we should align with the EU methodology as world best practice.

Q3: Do you consider it is appropriate to set a target beyond 2020 at this stage?

It is better to wait until 2015 to determine such a target by 2020 given that there is likely to be a step change in technologies during the next 10 years including a greater uptake of electric vehicles. Australia should not be locking itself into a perceived ambitious target without better insight into what the newer technologies coming on stream will be able to achieve. For example, five year rolling targets might be a more flexible and useful approach.

Advice on the setting of these targets should come from a body such as the Climate Change Authority which could conduct an independent and scientifically based review of future targets consistent with government policy direction.

Q4: Do you consider 2010 is the appropriate base year for determining the targets?

We have no objection.

Q5: What rate of CO2 emissions reduction do you consider is achievable by 2015 and 2020 in Australia?

Given the urgency of the task we face to avoid dangerous climate change and the commitment by the government to an ambitious target of 80 per cent by 2050, ambitious targets are called for.

Q6: What do you think is a reasonable CO2 target for the Australian new light vehicle fleet in 2015 and 2020?

ACF recommends targets consistent with the EU target of 130gCO₂/100kms by 2015 and 95g CO₂ by 2020.

Q7: Are there any impediments in Australia achieving the more ambitious rates of reduction embodied in Scenarios 5 and 6 above?

There is a need to introduce a range of complementary policies and behaviour change strategies that will help to shift people's purchasing behaviour.



Q8: Do stakeholders have any information on costs and benefits of standards which would assist the Dept of Infrastructure and Transport in the preparation of the cost benefit analysis for the implementation RIS?

Consideration should be given to broader ranging criteria when considering benefit cost analysis such as the inclusion of national climate change policy priorities. Care needs to be given to ensure environmental and social benefits are adequately monetised such as the model used by Infrastructure Australia.

Q9: Should Australia set a single set of CO2 targets for all light vehicles, or is there merit in establishing separate targets for passenger vehicles (cars and SUVs) and for LCVs (utes and vans)?

The EU has a single target for passenger and light commercial vehicles. ACF does not have a definitive position and are keen to ensure that whatever method is used, perverse outcomes are avoided.

Q10: Do you support the idea of bonus credits for new technology vehicles (such as EVs), flex fuel vehicles and other technologies, or should the CO2 standard be purely performance based, treating all vehicles on the same basis (using the CO2 emissions result on the standard ADR test)?

Offering bonus credits could be subject to abuse of the intention and the system, and this should be avoided. Therefore ACF does not support bonus credits and believes the CO2 standard should be performance based.

Q11: If you support credits, what vehicle types do you consider qualify for a credit and why?

n/a

Q12: Do you support an attribute based standard?

yes

Q13: If so, do you have a preference for mass or footprint?

ACF believes the footprint method will best meet society's environmental objectives.

Q14: If you do not favour an attribute based standard, what is your preferred approach and why?

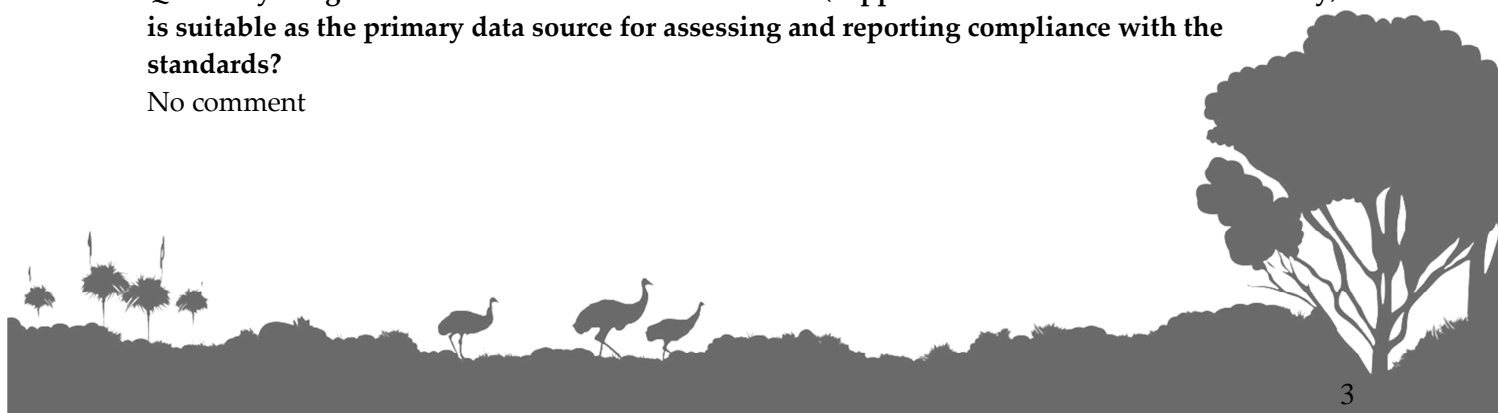
n/a

Q15: Do you consider there are other data elements which might also be required for the standards to be effective and enforceable?

No comment

Q16: Do you agree that the current VFACTS database (supplemented and audited as necessary) is suitable as the primary data source for assessing and reporting compliance with the standards?

No comment



Q17: Do you agree that data collected for the purposes of the standard should be made publicly available on an annual basis?

Yes publishing annual data will help to create transparency and accountability.

Q18: Do you agree that the Motor Vehicle Standards Act is the most appropriate primary legislation under which to write appropriate CO2 regulations?

Yes?

Q19: If not, what alternative legal framework would you propose?

n/a

Q20: Do manufacturers, particularly importers, have any views regarding the identification of responsible entities under the standards?

n/a

Q21: Do you consider there is merit in allowing manufacturers to pool, or is it an approach that manufacturers are unlikely to pursue?

Again as long as it is not subject to abuse of the intent and outcomes.

Q22: Do you think there is sufficient merit to warrant the inclusion of banking and trading schemes as a feature of Australia's CO2 standards?

No

Q23: Do you agree such systems are only possible where annual targets are set?

Yes

Q24: Do you agree that financial penalties are the most effective way to address non-compliance?

Yes, a range of options for non-compliance should be considered to allow flexibility in different situations.

Q25: If not, what alternative would you suggest?

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The Australian Conservation Foundation is committed to achieve a healthy environment for all Australians. We work with the community, business and government to protect, restore and sustain our environment.

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