



# Fuel Efficiency Standard to promote cleaner cars

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The Australian Government is introducing a fuel efficiency standard to save you money at the fuel bowser, bring cleaner cars to Australia and give more choice of cars to buy and drive. It will also help reduce greenhouse gases and other pollution from cars to improve the air that you and your family breathe.

Most developed countries have fuel efficiency standards, except Australia and Russia. Even New Zealand, which is a smaller and more remote market than Australia, has introduced a fuel efficiency standard.

The time has come for Australia to join the developed world and introduce a fuel efficiency standard. The Government has released a consultation paper to get your views on how our Standard should apply.

## What are fuel efficiency standards?

Fuel efficiency standards set an average CO<sub>2</sub> emissions target for cars sold by each vehicle supplier. They only apply to new cars, not cars that are already in the market or being used on the road.

Over time, suppliers need to meet or beat the CO<sub>2</sub> target and this means the cars they sell need to be cleaner and greener. The target is applied on average. This means that suppliers can still sell any vehicle they like, but will need to sell more clean cars to offset higher emission cars they sell.

If suppliers sell more fuel efficient cars than the target, they get credits. If they sell more polluting cars than the target, they need to buy credits from a different supplier or pay a fine. The Government is looking very carefully at the credit and penalty system in our consultation to make sure it is giving the right incentives.

## How would a fuel efficiency standard affect me?

Currently, vehicle manufacturers struggle to supply electric vehicles (EVs) into Australia in bulk because they need to supply them to other markets that already have fuel efficiency standards. This means Australia is at the back of the queue when global manufacturers decide which countries they are going to sell their more modern, less polluting cars to.

When the Government implements a fuel efficiency standard, Australians will have greater access to EVs, and other lower emission types of cars, such as plug-in hybrids. Over time, these new cars will filter down into the second-hand market. It also means Australians will start to take better advantage of lower or, in the case of EVs, virtually no fuel costs.

Anyone looking to buy a new vehicle in Australia will find greater choice and better technology regardless of whether they are purchasing a petrol or diesel internal combustion engine vehicle, a hybrid or an EV.

## Will I still be able to buy a ute or 4WD that can tow my trailer and boat?

Yes. Fuel efficiency standards help improve choice, and when a fuel efficiency standard is introduced in Australia, just like in other countries, people will still be able to buy the cars they need for work and for leisure.

Even better, fuel efficiency standards encourage suppliers to develop low and zero emissions cars that people want. While there are already electric utes being manufactured, a fuel efficiency standard will encourage suppliers to sell more of those and to design new electric utes that are even better.

## What are the next steps?

We want to work out the best design for an Australian fuel efficiency standard by considering what other countries have already done, what we can learn from these examples, and what modelling and data analysis shows will have the best outcomes for Australians.

The Government is working closely with the community to develop a robust standard, drawing from the experience in other markets, and having regard to Australia's unique circumstances and the needs of consumers.

We are consulting on the best design for an Australian fuel efficiency standard. You can assist this process by emailing [cleanercars@infrastructure.gov.au](mailto:cleanercars@infrastructure.gov.au) or lodging a submission via [cleanercars.gov.au](https://www.cleanercars.gov.au).