

## Darebin City Council Response to Draft RIS on Improving the Efficiency of New Light Vehicles

### Introduction

Darebin City Council (DCC) welcomes the opportunity to provide comments on the draft Regulatory Impact Statement on improving the efficiency of new light vehicles. DCC have declared a state of climate emergency that requires urgent attention from all levels of government<sup>1</sup>. The Darebin community continues to be very concerned about climate change and is a strong supporter of action to reduce transport emissions. Transport makes up 18% of Darebin's greenhouse gas emissions. In Darebin, 78% of households own at least one vehicle, with vehicle ownership increasing between 2006 and 2011. Over the period 2012-14, 74% of kilometres travelled by residents of Darebin were by car<sup>2</sup>.

DCC has adopted a *Climate Change Action Plan* to reduce Council's corporate emissions and to become carbon neutral by 2020. Council through its energy efficiency program and purchase of 100% GreenPower for Council facilities has reduced operational greenhouse emissions by 30 % from 2006 to 2014. Recent significant projects will improve these savings including:

- upgrading to energy efficient street-lighting –saving of 3,800 t CO<sub>2</sub>e per year;
- implementation of cogeneration, pool blankets, solar hot water, LEDs and other energy efficiency technologies at two Leisure Centres;
- 150kw of solar PV on council buildings;
- an additional 115kw of solar PV on council buildings used by the community e.g. child care, kindergartens and neighbourhood houses;
- overall reduction on fleet emissions of 11% since 2012

DCC has adopted a *Community Climate Change Action Plan* to support the Darebin community to significantly reduce greenhouse gas emissions with a target of zero net emissions by 2020. A key platform in this program has been supporting the disadvantaged and those most vulnerable to climate change impacts. This has resulted in innovative programs targeted at low income and elderly households which are both highly represented in Darebin including:

- the 2014 Solar \$aver program which resulted in an addition of 545 kw of solar PV on 292 pensioners homes and 306 kw on through the associated bulk-buy program in 2014;
- the 2016 Solar \$aver program where solar is being installed on another 200 plus households, including 34 rental properties from a social housing cooperative.

*Going Places – the Darebin Transport Strategy* seeks to create more sustainable, accessible travel for Darebin residents. This is complemented by the *Darebin Safe Travel Strategy*, *Darebin Cycling Strategy*, the *Car Sharing Policy*, and will be joined by a *Walking Strategy* in 2017. Achievements include:

- Private vehicle kilometres per person decreased by 32% between 2007 and 2009;
- Cycling has become safer due to increased infrastructure, such as supporting cycling on off road paths and missing links and known conflict points on popular on road routes, and as a result of training to increase riders' skill, knowledge and awareness;
- A Principle Pedestrian Network has now been developed to prioritise future works. The focus will continue to be on works that make it safer, easier and more pleasant to walk, including improving footpaths in activity centres, providing pedestrian crossings on busy roads, increasing greenery on walking routes and upgrading links to public transport and other popular destinations.

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<sup>1</sup> Minutes of Darebin City Council meeting 5 December 2016

<sup>2</sup> VISTA 2012-14 provisional figures

DCC will launch a new Climate Change Strategy and Action Plan in June 2017, building on action on climate change over the last eight years, of which transport will play a key part.

## Response to consultation

### Overview

Australia is ranked last out of 16 major OECD countries for energy efficiency in the transport sector<sup>3</sup> and has the ninth-highest transport emissions per capita in the world<sup>4</sup>. Other countries are far ahead of us. 80% of the global car market is covered by mandatory light vehicle CO2 emissions standards. Countries and regions as diverse as the United States, Europe, Japan, Korea, China, India, Canada and Mexico have standards in place<sup>5</sup>. Without standards, Australia risks becoming a “dumping ground” for polluting cars not permitted in other large car markets.

Therefore DCC supports the direction of the draft RIS. DCC agrees with the analysis in the draft RIS that:

- The Australian Government taking a leadership role in having minimum efficiency requirements for all their fleet is important, but in terms of impact, their fleet is less than 0.1% of the Australian vehicle fleet and around 0.3% of new vehicle sales. Therefore, this action itself will have a very small impact and would depend on encouraging other organisations to also set their own benchmarks;
- The standard needs to be mandatory not voluntary. Analysis in the draft RIS confirms previous voluntary targets were not met, and notes that there is not a collective interest or incentive to achieve standards as the vehicle industry has an incentive to maximise profits and minimise development costs, directly competing with any benefit to motorists or society;

### Which scenario?

The cost-benefit analysis of the strong (option 1 / Target A), medium (option 2 / Target B) and mild (option 3 / Target C) legislated standard options indicate that they all produce a net **benefit** through fuel cost savings and significant greenhouse gas savings<sup>6</sup>. Although scenario 2 and 3 options have a *slightly* higher BCR ratings, as the best carbon saving is from scenario 1 (strong), and there is already a net cost benefit to society for fuel costs alone, **option 1 / target A presents the best option.**

### Added benefits

The added benefits of a mandatory vehicle emissions standard include protecting vulnerable people:

- Reducing air pollution: as vehicle models reduce their CO2 emissions, this process often leads to lower amounts of other air pollutants such as nitrous oxide and particulates. According to the Federal Government review of vehicle emissions and air pollution, 1,483 premature deaths in 2012 were due to outdoor air pollution –

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<sup>3</sup> The Path Forward for Electric Vehicles in Australia, 2016

<sup>4</sup> Climate Council 2016 <https://www.climatecouncil.org.au/transport-emissions-and-climate-solutions>

<sup>5</sup> Ibid

<sup>6</sup> Page 38 of the RIS

approximately half are attributed to road transport pollution. Some environmental scientists consider around 3,000 deaths are attributable to air pollution;

- Cost of fuel: Australia is also vulnerable to disruption in fuel supplies, due to a 90% dependency on fuel imports for transport. Any reduction in fuel costs will help the most vulnerable people in Darebin who are on a low income but need to travel by car. This would go hand-in-hand with other Darebin policies to reduce non-essential car use and encourage low carbon modes of transport.

*Response to Question 01 of the discussion paper: What parameter (CO2 emissions or fuel consumption) should be used for an Australia fuel efficiency standard and why?*

Setting the parameter at fuel consumption could have the perverse outcome of increasing carbon emissions and decreasing air quality, as noted in the discussion paper, by incentivising fuels such as diesel, that have a high energy and carbon content, which reduces fuel consumption per kilometre but increases emissions.

As the primary objective of fuel efficiency standards would be to reduce greenhouse gas emissions, the parameter used for such a standard should be **CO2 emissions** rather than fuel consumption.

### *Conclusion*

In a DCC analysis, a national vehicle emissions standard would be the one of the biggest contributors to lowering the greenhouse gas emissions of the Darebin community, more than all other practical Council actions to tackle transport-related emissions put together.

**Therefore, DCC would welcome the introduction of a mandatory vehicle emissions standard of 105gCO<sub>2</sub>-e/km for new light vehicles from 2025, phased in from 2020.**