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Dear Sir/Madam,

Please find below my response to the Draft regulation impact statement entitled “Improving the efficiency of new light vehicles”. I wish my last name and street address to remain confidential. I also wish to make it quite clear that the comments below are my own personal opinion.

I am writing to request that the 105 g/CO₂/km by 2025 target be adopted (target A). This is the minimum that should be considered acceptable in any developed nation by this time. I believe that any manufacturer or importer of more than 10,000 vehicles per year who fails to achieve this target should have a purchase tax of 50% of the value of the vehicle applied to any vehicles they sell which emit over 105 g/CO₂/km until they bring their average new vehicle emissions to below the stated target. The target of 105 g/CO₂/km is perfectly attainable with today’s technologies and 5 years should be more than sufficient to increase production of low emission or ultra-low emission vehicles to meet this target. There should also be an additional target set prior to 2020 for 2030. This target should be significantly lower than current the 2020 target. It should be noted that 105 g/CO₂/km but 2025 is not ambitious or dramatic. Norway has currently bettered this target and the EU will achieve this target by 2021 at the latest. If the policy can be introduced within the next 12 months then I would see little reason to delay the implementation of the target until 2025 with 2023 being a realistic and achievable time to meet this target.

The justification for this target is not environmental but simple economics. Australia currently buys cars with high emissions that lead to massive, avoidable additional health costs so that foreign car and oil companies can make larger profits selling imported products that they invest outside of Australia. This is madness and is a text book example of a market failure – no car company is going to make less profit selling more efficient vehicles, especially in a market that is as protected as the Australian car market. Evidence from the EU and the US has shown that strong emission standards has led to a massive drop in the emissions of luxury vehicles with little change in the overall cost of these vehicles. There has been no massive spike in the price of vehicles with cars in general (if the distortions of taxation are removed) being cheaper in the UK than in Australia.

The use of an emission standard can and should also be combined with other adjustments to the legal and taxation system to allow for faster adoption of these technologies. I believe there are a number of policies that would be cost neutral or better for the economy and powerful drivers for reductions in vehicle emissions. I believe the following 2 policies should be considered:

1. The first should be to allow manufactures/importers to count zero emission vehicle sales prior to 2025 within their average for the first 2 years after 2025. This would allow a car company additional time to meet the target and reward the initial investment in supplying zero emission vehicles to Australia.
2. The 2nd policy that should be adjusted is the luxury car tax. The threshold for this tax should be lowered to \$50,000 AUD for high emission vehicles and increased to \$100,000 for low emission vehicles. The tax should be applied to a wider range of vehicles including fleet vehicles (including government fleets), company cars and vehicles that are leased. The cut off

for a low emission vehicle should be reduced to 75 g/CO₂/km. Exemptions may be issued for specialist work vehicles or vehicles that have been modified for the disabled but for the rest of the market they should be applied universally. The numbers of instances where a person or an organisation will purchase a \$50,000 vehicle where there is no cheaper alternative will be very few in number indeed.

In summary, Australia has everything to gain from reducing its vehicle emissions and nothing to lose. I would suggest that the taxation of new high emission vehicles (in excess of 75 g/CO₂/km) is something we can do as a nation now and that mandating vehicle emissions is something that should be done with sufficient lead times for companies to adjust. We should simple be getting on with this before our car fleet ends up in the same mess as our electricity generation and gas markets. The “hard work pays off in the future but laziness pays off now attitude” will only lead to Australia being stuck with an inefficient, polluting mess of a vehicle fleet – soothing that will take more than 10 years to correct.

Kind regards

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