



# **Lighter Footprints submission**

**Submission to the  
Ministerial Forum on Vehicle Emissions  
Improving the efficiency of new light vehicles  
Draft Regulation Impact Statement  
December 2016**

**Lighter Footprints is a large climate action group based primarily in the Boroondara and Whitehorse council areas of Victoria, encompassing, Box Hill, Kew, Hawthorn, Camberwell, Canterbury, Surrey Hill and some parts of Ashburton, Glen Iris and Burwood, and Federal electorates of Kooyong and part of Chisholm and Deakin.**

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**Convenor, Lighter Footprints**

**10 March 2017**

Vehicle Emissions Working Group  
Department of Infrastructure and Regional Development

## **Improving the efficiency of new light vehicles**

Thank you for the opportunity of making a submission to the Ministerial Forum on the Draft RIS on improving the efficiency of new light vehicles.

This submission is by Lighter Footprints Incorporated, a group of concerned residents (now close to 2000) from Boroondara and Whitehorse municipalities in Melbourne who came together in 2006 to see what we could do about the serious challenge of climate change. Our community recognises that climate change has been scientifically demonstrated for some years, and the extent of the challenges leads us to be impatient for effective action.

## **Executive Summary**

This report acknowledges the clear case made in the Draft RIS for the early development and application of Australian fuel efficiency standards for new light vehicles. In our view the prime aim of such standards must be to reduce CO<sub>2</sub> emissions. However, we note that the standards will result in significant reductions in fuel consumption, providing substantial economic advantages to vehicle users and the general community over time.

## **Introduction**

The task Australia faces to reduce greenhouse gas emissions to meet our 2030 commitments under the Paris Agreement were discussed in an article by Hugh Grossman, Executive Director of RepuTex, published on 30 January 2017. With emissions currently continuing to increase and predicted by the government to increase a further 10 percent between 2016 and 2030, the analysis puts the cumulative emissions reduction task at 990 Mt by 2030. Against this yardstick, we will be looking to the transport sector to reduce its current annual transport emissions of 93.3 Mt CO<sub>2</sub>-e by as much as possible. Thus it is good news that the draft RIS analysis (Table 12) shows significant potential greenhouse gas savings to be achievable by improving the efficiency of new light vehicles. Lighter Footprints applauds the Target A avoided emissions totalling 231 Mt by 2040 and notes that these savings come not at a cost but with a welcome net cost benefit of \$13.9 billion.

In our comments we take advantage of the analysis and format of questions addressed in Appendix A of the draft RIS.

### **Question 1. What parameter (CO<sub>2</sub> emissions or fuel consumption) should be used for an Australian fuel efficiency standard and why?**

For the reason that it best reflects the primary objective of reducing greenhouse gas emissions we would advocate using CO<sub>2</sub> emissions as the basis for an Australian fuel efficiency standard.

### **Question 2. How should a vehicle's efficiency for the purposes of an Australian fuel efficiency standard be assessed and why?**

We note that laboratory testing is recognised as providing robust, uniformly collected, verifiable and comparable data for the least cost, and that international testing methods are under review to improve correlation between tested and on-road emissions. We support revision of the fuel consumption labelling standard and test cycle adopted in ADR 81/02 to facilitate early transition to the proposed Worldwide Harmonised Light Vehicles Test Procedure (WLTP) as the basis of vehicle efficiency assessment.

Lighter Footprints suggests that consideration be given to the introduction of random testing audit to ensure compliance with stated emissions levels. Penalties to apply for failure to comply including rectification costs

### **Question 3. How should a sales weighted average target be applied in Australia and why?**

The principle of weighting compliance with efficiency targets according to the number of vehicles sold within a fleet as set out in Appendix A would seem to be logical, as would attribute-based average targets.

**Question 4. If an attribute based standard is adopted, which attribute should be adopted in Australia and why?**

To the lay person it is gratifying to note the Appendix A quote (p. 49):  
*“It is entirely possible that footprint-based and weight-based systems can coexist internationally and not present an undue burden for manufacturers if they are carefully crafted.”*

**Question 5. How should a fuel efficiency standard be applied to each light vehicle category and why?**

Lighter Footprints defers to others for this question.

**Question 6. If SUVs are subject to a different target to passenger cars, how should SUVs be defined, and why?**

Lighter Footprints defers to others for this question.

**Question 7. How should targets for a fuel efficiency standard be phased in and why?**

In line with the primary objective of minimising cumulative greenhouse gas emissions to the atmosphere, Lighter Footprints would like to see improved efficiency standards implemented at the earliest possible time. Although we accept the need for appropriate lead times, we note that after several years without mandatory standards Australia already lags 80 per cent of the global vehicle market and that the need and justification for fuel efficiency standards has been publicly recognised since the Climate Change Authority’s research report of June 2014.

The phasing in of new Australian standards over the five (or six?) year period 2020 to 2025 would seem to be unjustifiably relaxed. We note in Appendix A (p. 58) that the arrangement adopted for the next phase of the EU passenger vehicle standards will have ‘...95 per cent of passenger vehicles required to meet a sales weighted average standard of 95g/km from 2020, with 100 per cent of vehicles required to comply from 2021’. As this schedule can be achieved in Europe we query why Australia should not aim higher to achieve emissions reductions earlier than 2025.

**Question 8. If annual targets are adopted, what targets should apply in each year and each segment and why?**

Please refer to Lighter Footprints’ answer to Question 7.

**Question 9. If a percentage phase in is adopted, what percentage should apply in each year and each segment, and why?**

Please refer to Lighter Footprints' answer to Question 7.

**Question 10. What flexibility arrangements should be allowed under an Australian fuel efficiency standard and why?**

In principle, any flexibility would seem to invite diversion of effort from implementation to costly delay and special case considerations. If anything, the US practice of allowing credits for over-compliance to be carried forward would seem to have merit. In general Lighter Foot Prints favour a simpler implementation of of the standard.

**Question 11. What, if any, credits should an Australian fuel efficiency standard adopt to further encourage the supply of more efficient vehicles, and why?**

Lighter Footprints supports the concept of incentives to encourage the uptake of electric vehicles and other low-emission technology.

**Question 12. Which entities should be required to comply with a fuel efficiency standard, and why?**

The reasoning of Appendix A (p. 65) leads to both the entity holding a vehicle model's Australian type approval and the local distributor managing the sale of vehicles in Australia bearing a shared responsibility for compliance. Leverage would appear to lie in the hands of the Administrator of Vehicle Standards provided this person is empowered to suspend, cancel or refuse type approvals and associated import approvals as suggested.

**Question 13. What concessional arrangements should be offered to low volume suppliers under an Australian fuel efficiency standard and why?**

Lighter Footprints accepts that all suppliers should be required to improve the efficiency of vehicles they supply to Australia.

**Question 14. What penalties should be applied to entities that failed to comply with a fuel efficiency standard and why?**

A financial penalty proportional to the amount by which a vehicle fails to comply with an Australian fuel efficiency standard should be levied at sale for each new vehicle which so fails. The quantum of the financial penalty must be set so that the cost of paying the penalty exceeds by a substantial margin the typical cost to an entity of meeting regulatory requirements.

## References

Climate Change Authority 2014, *Light Vehicle Emission Standards for Australia*, Research Report, June 2014

Hugh Grossman, 30 January 2017, *Emissions task shifting to industry as carbon can kicked further down the road*

<http://reneweconomy.com.au/emissions-task-shifting-to-industry-as-carbon-can-kicked-further-down-the-road-60947/>