

Media briefing: Why Australia needs strong vehicle emissions standards

Spokesperson available	Greenpeace Australia Pacific Senior Campaigner Lindsay Soutar Greenpeace Australia Pacific CEO David Ritter
Media Contact	Martin Zavan - 0424 295 422 - martin.zavan@greenpeace.org Fiona Ivits - 0487 003 872 fiona.ivits@greenpeace.org
Subject	National EV Summit and Fuel Efficiency Standards

At the landmark EV Summit taking place on 19 August in Canberra, politicians, members of the business community and the car industry will meet to discuss how to accelerate Australia’s shift to cleaner transport and increase uptake of electric vehicles. One of the solutions which has gained widespread support and increasing momentum is the introduction of Fuel Efficiency Standards.

This short briefing paper outlines the transport climate problem facing Australia, the case for introducing strong Fuel Efficiency Standards, and what needs to happen next.

Australia’s big, and growing, transport climate problem

Australia has some of the highest per-capita climate emissions in the world, with a large share of these coming from the transport sector. Cars and light commercial vehicles alone make up over 60% of Australia’s transport pollution levels.¹ Australia’s transport pollution is on the rise, spiking sharply over as Covid-19 pandemic lockdowns eased.²

Due to the absence of up-to-date fuel efficiency standards, Australia’s domestic vehicle fleet is one of the most polluting and least efficient in the world.

According to the Australia Institute, in 2018 the average carbon dioxide (CO₂) intensity for new passenger vehicles in Australia was 169.8gCO₂/km compared to 129.9gCO₂/km in the

¹ <https://www.climatecouncil.org.au/how-australia-can-boost-electric-vehicle-supply/>

² <https://www.theguardian.com/environment/2022/jun/27/australias-emissions-climbed-in-coalitions-final-year-as-transport-and-fossil-fuels-wiped-out-gains-during-covid>

United States, 120.4gCO₂/km in Europe and 114.6gCO₂/km in Japan.³ All of these countries except for Australia have targets to substantially reduce their emissions across this decade.

Australia is lagging behind most comparable nations in the uptake of electric vehicles. In 2021, while EV uptake averaged 9% around the globe, only 2% of total light vehicles sold in Australia were EVs.⁴ By comparison, in 2021 well over three quarters of vehicles sold in Norway were electric. In addition to the 80% of the market covered by emissions standards, a quarter of the global car market is also covered by targets mandating the end of internal combustion engine sales in their early 2030s.

Introducing policy to support emissions reduction and electric vehicle uptake will not only decrease a significant source of emissions but will save Australians a significant amount in fuel, maintenance and health costs.

Without strong emissions standards in place, the new vehicles introduced to the Australian market are not required to meet international standards. This means that manufacturers can offload lower quality, more polluting stock that other markets will not accept, costing Australians financially, impacting our health and driving up our emissions.

At least 80% of the global car market already have vehicle emissions standards, leaving Australia at the back of the pack alongside Russia, Indonesia and Turkey.

Fuel Efficiency Standards are a simple and effective policy mechanism for reducing road transport emissions and have been implemented worldwide in nations such as the United States, European Union, United Kingdom, China, Korea, Japan, and New Zealand.

Without introducing internationally competitive standards, Australia risks remaining a dumping ground for polluting cars that most other nations no longer accept.

What are the benefits of a strong emissions standard for vehicles?

There are five main benefits to introducing internationally-aligned standards for new vehicles:

1. Lower transport emissions

With 11% of Australia's emissions coming from light and commercial passenger vehicles, strong Fuel Efficiency Standards would have a significant impact on Australia's climate pollution by accelerating our shift to zero-emissions transport.

2. Cheaper fuel costs for motorists

EVs are cheaper to run. A petrol car (11L/100km) costs \$14 per 100km but an average electric car costs \$4 per 100km – less if you power it with rooftop solar!⁵ They also have

³<https://australiainstitute.org.au/wp-content/uploads/2022/08/P1269-Fuel-Efficiency-Standards-WEB.pdf>

⁴[https://electricvehiclecouncil.com.au/ev-sales-boom-presents-chance-to-capture-serious-electric-benefits-if-government-acts-no](https://electricvehiclecouncil.com.au/ev-sales-boom-presents-chance-to-capture-serious-electric-benefits-if-government-acts-now/)

⁵[w/ https://electricvehiclecouncil.com.au/](https://electricvehiclecouncil.com.au/)

fewer moving parts and less maintenance costs.

If the federal government had introduced standards in 2015 when the idea was initially put forward, Australians would have saved almost 6 billion dollars in fuel costs⁶ - and with prices at the bowser sky-high, it's clear everyday people are still paying the price of government inaction. If we act now, a rapid switch to electric transport could save us nearly half a trillion Australian dollars by 2035.⁷

3. More electric vehicle models available

Introducing standards creates an incentive for car manufacturers to bring newer models of fuel efficient and zero emissions vehicles to Australia, while also reducing global market demand for emissions-heavy vehicles worldwide.

4. Cleaner, healthier air

Petrol vehicles hurt our health. Pollutants from vehicles powered by internal combustion engines include PM10, PM2.5, NOx, SOx and VOCs increase the risk of cardiovascular illness, Ischemic heart disease, asthma, stroke, respiratory illnesses, lung cancer, bladder cancer, and breast cancer. The health impacts of transport pollution are estimated to kill about 280 Australians per year and the International Council on Clean Transportation estimates transport-related air pollution carried an economic cost of about \$10 billion in Australia in 2015.^{8 9} Despite being considered more fuel efficient, diesel engines emit significantly more pollutants than petrol engines per kilometre, are driven further and have less regulation in Australia.

5. Improved fuel security

The Australian vehicle fleet uses about 32 billion litres of fuel per year.¹⁰ Available evidence suggests Australian motorists are paying on average almost 30% more for fuel than they should.¹¹ At the same time, Australia's fuel security has decreased over the last decade. Five Australian refineries have closed over the last decade leaving only two Australian refineries in operation - Ampol's Lytton refinery and Viva's Geelong refinery.¹²

Australia is one of the sunniest, windiest countries on earth, and shifting our car fleet to electric vehicles, run on a renewable-powered grid, would reduce our reliance on imported fuel and shield Australia from the fluctuations of the global petroleum market.

⁶ <https://australiainstitute.org.au/post/new-analysis-5-9b-fuel-cost-saving-to-commuters-if-fuel-efficiency-standards-introduced/>

⁷ Deloitte Access Economics, Commissioned by ACF <https://www.acf.org.au/zero-emission-vehicles-in-australia>

⁸ <https://grattan.edu.au/report/grattan-car-plan/>

⁹ https://theicct.org/wp-content/uploads/2021/06/Global_health_impacts_transport_emissions_2010-2015_20190226.pdf

¹⁰ <http://www.npi.gov.au/resource/australian-motor-vehicle-emission-inventory-national-pollutant-inventory-npi>

¹¹ <http://www.climatechangeauthority.gov.au/files/files/Light%20Vehicle%20Report/Lightvehiclesreport.pdf> because of the lack of fuel efficiency standards.

¹² <https://apo.org.au/sites/default/files/resource-files/2022-04/apo-nid317482.pdf>

What could Fuel Efficiency Standards look like?

Standards can be implemented by capping emissions from new vehicles at a set fleet-wide average and penalising companies who exceed the cap. As the target is averaged, companies can still sell higher emitting vehicles but must balance this with electric and fuel efficient cars to avoid penalties. The target or 'ceiling' is then reduced over time to eventually reach 0g/km, enabling companies to plan in advance.

To reach net zero emissions by 2050, the International Energy Agency recommends all new vehicles must be zero emissions by no later than 2035 to allow for a 15 year lifespan of internal combustion engines sold before the deadline.¹³

However, if Australia is to do our 'fair share' when meeting global obligations, we need to strive for a policy that accurately reflects our carbon budget; this means reaching net zero by 2035 to ensure a safer climate future.¹⁴

Other major markets such as the United Kingdom have set a deadline of 2030 for phaseout of new petrol car sales. Australia can catch up with the global clean transport transition and make progress towards our global climate commitments by ensuring all new car sales are zero emissions by 2030, or 2035 at the very latest.

What needs to happen next?

The new federal government has a mandate from the Australian people to act on climate.

Introducing robust standards to regulate climate pollution from passenger and light commercial vehicles is a key first step toward cleaning up Australia's transport sector.

Extensive research, modelling and analysis has been conducted on the myriad benefits of this policy, and there is no need for further delay. The federal government needs to move with urgency to introduce robust standards in line with other major markets.

These standards must meet key tests to be fit for purpose in reducing Australia's transport emissions including:

1. Bring Australia's new vehicle stock into alignment with international benchmarks by 2025
2. Match the trajectory to meet Australia's 'fair share' emissions budget for net zero
3. Avoid 'super credits' or any special concessions to hybrid technology

¹³

<https://iea.blob.core.windows.net/assets/ad8fb04c-4f75-42fc-973a-6e54c8a4449a/GlobalElectricVehicleOutlook2022.pdf>

¹⁴ https://climateanalytics.org/media/cat_2020-11-10_scalingup_australia_fullreport.pdf

Further reading:

[Fuelling Efficiency, The Australia Institute, August 2022](#)

[Over a Barrel: addressing Australia's liquid fuel security, The Australia Institute, April 2022](#)

[Accelerating EV uptake: policies to realise Australia's electric vehicle potential, Climateworks Centre, August 2022](#)

For more information or to arrange an interview please contact Fiona Ivits on 0487 003 872 or fiona.ivits@greenpeace.org