



19 October 2014

Motor Vehicle Standards (Cheaper Transport) Bill 2014

This submission has been prepared by Greenpeace Australia Pacific Limited (GPAP) in response to the request for submissions to the Motor Vehicle Standards (Cheaper Transport) Bill 2014

GREENPEACE AUSTRALIA PACIFIC is an organisation of over 500,000 people, including board members, staff, activists, volunteers and supporters who care deeply about protecting the environment. GPAP stands for positive change through action. GPAP investigates, exposes and confronts environmental abuse in Australia and around the world. GPAP champions environmentally responsible and socially just solutions including scientific and technological innovation.

The Bill proposes adopting the European Union's emissions targets (130g/km for 2015 and 95g/km in 2020) in Australia from 2017 and 2021 respectively. GPAP recommend the swift passage of the Bill because it will support Australia's role in reducing carbon emissions, make significant cost savings for consumers over time and reduce air pollution mortality and morbidity.

Australia is one of only six countries in the OECD without light vehicle emissions standards. The current average carbon emissions of new vehicles sold in Australia is 188g/km and Australia's emissions standards lag behind most developed countries. Therefore this bill will fill an important gap in Australia's emissions reductions. The transport sector is responsible for 17 percent of Australia's emissions, with passenger and light commercial vehicles contributing 62 percent of the sectors emissions. And while the transition towards 100% renewables in the "traditional" power and heating sector seems well within our grasp, the phase-out of fossil fuels in the transport sector still presents major challenges. The Government should continue to play a role in assisting the transition of light vehicles along a trajectory of continued emissions reductions until we reach a complete reduction and a global use of electric rather than combustion/hybrid engines, powered by clean, renewable energy.

Environmental Justice Australia has assessed some of the costs associated with air pollution. In 2000, the total economic cost of motor vehicle air pollution-related mortality and morbidity across Australia was approximately \$2.4 billion. In 2005, the Government of New South Wales estimated that air pollution related morbidity across Australia was approximately \$2.4 billion. In 2005, the NSW Government estimated that air pollution in greater metropolitan Sydney



cost between \$1, 01 billion and \$8.4 billion every year in 2003 dollars (approximately \$1.28 billion to \$10.67 billion in today's dollars).¹

In addition greater fuel efficiency results in lower fuel costs for vehicle owners which more than makes up for the higher cost of low emissions vehicles. ClimateWorks has estimated that although greater fuel efficiency comes with higher up-front costs when purchasing vehicles, an estimate of \$2500 per vehicle for a 50 percent efficiency gain in 2024, average car owners would recover these additional costs within 3 years through fuel savings. Based on the ClimateWorks analysis, there was a net annual savings of \$352 for average drivers over a five year period, which is the average length of vehicle ownership.²

Similarly the Climate Change Authority found that: "Implementation of a standard to reduce carbon dioxide emissions to 105g/km is estimated to increase the average cost of a new car in 2025 by about \$1500. This, however, would be offset several times by fuel savings of about \$8500 over the life of the vehicle and so the motorist would eventually be better off."³

However the Bill does not detail the method that will be used to test a vehicles emission and in light of the Volkswagen scandal this is a crucial measure. (Earlier this month it was discovered that Volkswagen fitted more than eleven million diesel cars with a defeat device that manipulated emissions testing.)⁴

¹ Environmental Justice Australia, Clearing the Air: Why Australia urgently needs effective national air pollution laws.https://envirojustice.org.au/sites/default/files/files/Submissions%20and%20reports/Envirojustice_air_pollution_report_final.pdf

² ClimateWorks, Improving Australia Light Vehicle Fuel Efficiency, Briefing Paper, February 2014.
http://www.climateworksaustralia.org/sites/default/files/documents/publications/climateworks_vehicle_efficiency_standards_briefing_paper_feb2014.pdf

³ Climate Change Authority, Light Vehicle Emissions Standards for Australia, Research Report, June 2014.
<http://www.climatechangeauthority.gov.au/files/files/Light%20Vehicle%20Report/Lightvehiclesreport.pdf>

⁴ Greenpeace International.
<http://www.greenpeace.org/international/en/news/Blogs/makingwaves/volkswagens-lies-show-need-for-real-emissions-tests/blog/54413/>