

VEHICLE EMISSIONS PLAN NEEDS RETHINK

5 March 2024

The Australian Automotive Dealer Association is calling on the Government to renovate its New Vehicle Efficiency Standard proposal or risk higher vehicle prices and lack of consumer choice.

[The AADA Submission](#) has highlighted the limitations of the current proposal and suggested changes to the policy.

“Dealers are 100 per cent supportive of a fuel efficiency standard in Australia, but the policy in its current form will do more harm than good,” said AADA CEO James Voortman.

“This policy goes too far too fast and it’s almost certain Australians will pay more for new cars and lose access to their beloved Utes and SUVs,” he said.

“Less than one in three of the more than 2,000 vehicle variants for sale in Australia today would meet the initial target proposed to start in less than 10 months-time. The cars most likely to experience a price hike or be removed from the Australian market are the Utes and SUVs that Australian families and businesses love.”

“This policy comes close to a de facto ban on petrol and diesel vehicles. While EVs are the future, the majority of customers are still concerned over the cost of the vehicles, the lack of charging infrastructure and the dearth of affordable EV Utes and large SUVs,” said Mr Voortman.

“No other industry has been asked to reduce its emissions by 60 per cent in only five years. I can see car brands unable to comply with this policy departing Australia, leaving their customers and Dealers high and dry. We have seen this before with the likes of Holden and other brands,” he said.

“The worst thing we can do for vehicle emissions is to discourage new car sales. The age of our vehicle fleet has been growing over a number of years and there is a major risk that consumers simply hold onto their older cars for longer at the expense of the environment,” Mr Voortman said.

We urge the Government to consider the recommendations we have put forward, including,

- Adding SUVs and four-wheel drives to the Light Commercial Vehicle Category,
- Allowing the expanded Light Commercial Vehicle category seven years to meet their target,
- Reducing the proposed penalties in the early years of the scheme, and
- Developing a series of incentives to stimulate consumer demand for low emissions vehicles.

Australia’s more than 3,100 new car Dealers employ some 61,000 people, invest significantly in local towns and cities with a total economic contribution of \$18.6 billion to the national economy.

ENDS.

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