

ARA SUBMISSION

NEW VEHICLE EFFICIENCY STANDARD

MARCH 2024

The ARA appreciates the opportunity to respond to the Australian Government's discussion paper on the New Vehicle Efficiency Standard (NVES).

The ARA is the oldest, largest and most diverse national retail body, representing a \$420 billion sector that employs 1.4 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community. We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate in all states and across all categories - from food to fashion, hairdressing to hardware, and everything in between.

ARA POSITION

We have reviewed the consultation impact analysis and wish to express our support for Option B, as the preferred approach for the implementation of the NVES.

Option B presents an ambitious yet achievable standard that not only aligns with international best practices but also positions Australia to meet its climate change commitments. The approach taken by the United States, which has a vehicle market and consumer preferences similar to Australia's, serves as a compelling model for Option B. This option facilitates the harmonisation of vehicle standards across the region and globally, reducing the regulatory burden and increasing the availability of fuel-efficient and low-emission vehicles in Australia.

We recognise there is a challenge associated with Option B regarding the availability of a suitable vehicle mix to meet the new standards. Given the significant number of vehicles operated by retailers in Australia, including delivery and service fleets, the transition to more fuel-efficient and low-emission vehicles is not just an environmental necessity but also an economic opportunity. The retail sector has witnessed a substantial increase in online shopping and home deliveries, amplifying the need for efficient and sustainable logistics. A 12-month transition period for Option B would provide our industry with the time to transition, ensuring that we can meet both our environmental goals and the growing demand for delivery services.

The retail industry stands to benefit significantly from improved access to more fuel-efficient and low-emission vehicles. Many of our members have set ambitious net-zero emissions targets, and the implementation of Option B would support these objectives by providing a broader range of environmentally friendly vehicle options as well as reducing operational costs over time.

We look forward to the government's decision and are committed to working collaboratively towards the successful implementation of the New Vehicle Efficiency Standard.

Thank you for the opportunity to provide a submission to this review. Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.