

Legislative Statement for the Land Transport (Clean Vehicle Standard) Amendment Bill (No 2)

Presented to the House of Representatives in accordance with Standing Order 272

Introduction

1. The objective of the Land Transport (Clean Vehicle Standard) Amendment Bill (No 2) (the Bill) is to support the achievement of the Clean Vehicle Standard's (the Standard) annual CO₂ targets, and to reduce the costs that the Standard could impose on vehicle suppliers and consumers.
2. The Bill will achieve this objective by giving vehicle suppliers more flexibility in how and when they comply with the annual CO₂ targets. It also makes a change to future proof the design of the targets in light of changes that increasing volumes of EVs and hybrids will make.
3. The Bill amends the Land Transport Act 1998 (LTA) and the Land Transport (Clean Vehicle Standard) Regulations 2022.

Background

4. The provisions in the Bill will:
 - a) Enhance the Clean Vehicle Standard's existing flexibility measures by:
 - i. extending the lifespan of CO₂ emission credits that are earned on low emission vehicles from three years to four years
 - ii. removing the legislative restriction on credit transfers between the new and used import sectors,
 - iii. extending the use of borrowing of future target overachievement (payment obligation deferral) beyond 2025.
 - b) Future-proof the Standard by enabling CO₂ targets that are not weight-adjusted to be set when there is no material linear relationship between vehicle weight, fuel use and CO₂ emissions. For passenger vehicles this could be in 2027 on the basis of 2025 vehicle registration data.

Secondary legislation and implementation

5. Non-weight adjusted CO₂ targets will be implemented through a future amendment to the Land Transport (Clean Vehicle Standard) Regulations 2022, when it becomes appropriate to do so. No immediate changes to secondary legislation are required to implement the Bill's provisions.

Conclusion

6. The amendments in the Bill support the achievement of the Standard's annual CO₂ targets, and will reduce the costs that the Standard could impose on vehicle suppliers and consumers. They also help ensure the Standard remains fit for purpose.