

23 May 2023

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 2154
Canberra ACT 2601

Attention: Director, Fuel Efficiency Standards—Surface Transport Emissions and Policy Division

I am writing on behalf of the Institute of Community Directors Australia (ICDA), an enterprise of Our Community, to express our strong support for the implementation of the **Fuel Efficiency Standard — Cleaner and Cheaper-to-Run Cars for Australia**. As the best-practice governance network for Australian not-for-profit and government boards and committees, ICDA recognises the significant impact of climate change on the not-for-profit sector and believes that transitioning to carbon-free technologies is both an economic opportunity and a crucial step towards a safe and prosperous future.

Our organisation conducted a survey-based research program involving 570 not-for-profit organisations from February 23 to March 8, 2022. The survey focused on the readiness of not-for-profits to adopt carbon-free technologies, particularly in relation to vehicle fleets. The findings of our survey indicate that there is a real and significant opportunity for the not-for-profit sector to contribute to Australia's carbon emissions reduction efforts through the transition to electric vehicles (EVs) powered by carbon-free sources. The key results of our survey are as follows:

1. The not-for-profit sector possesses a considerable number of vehicles, with 57% of organisations surveyed owning or leasing at least one car, totalling 1,406 cars in our sample. The average fleet size is approximately five cars, with an average fleet value of around \$271,000.
2. A significant portion of respondents (78%) expect to purchase or lease a new vehicle within the next three years, with 36% planning to do so within the next year.
3. Despite the potential benefits, there has been limited adoption of electric vehicles in the Australian not-for-profit sector. At the time of our survey, only three organizations in our sample owned an electric car, and only four had a hybrid car.
4. Not-for-profits can experience substantial cost savings by converting their fleets to electric, saving money for essential activities. On average, these organisations spend \$430 per week on fuel. With access to "free" electricity, such as through solar panels or readily available charging stations, a typical organisation could offset the cost of a \$45,000 car in just two years. Even without access to free power, not-for-profits could achieve significant savings on petrol costs by switching to EVs.

While the potential for transitioning to EVs in the not-for-profit sector is evident, several barriers need to be addressed. Our survey identified the following top five barriers to fleet transformation:

1. Cost or lack of funding
2. Lack of public infrastructure
3. Lack of knowledge
4. Lack of (suitable) cars
5. Lack of a site for a charger.

We believe the implementation of a strong Fuel Efficiency Standards in Australia will be instrumental in helping to address the barriers listed above. Strong standards will create a market signal for manufacturers to prioritise EVs, increase the number and variety of EVs available in the Australian market, and encourage investment in charging infrastructure, accelerating the adoption of electric and low-emission vehicles across the not-for-profit sector.

We echo Greenpeace's advocacy for fuel efficiency standards that:

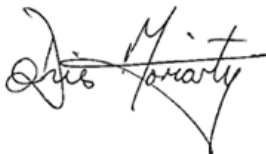
- Allow us to catch up with major markets such as the EU, US and New Zealand.
- Set us on a trajectory towards 100% zero emissions vehicles by 2035 at the latest.
- Do not leave open any loopholes (such as "super credits") that will stymie progress.
- Involve transparent gathering and reporting of sales and emissions data by government, not industry groups.
- Send a strong market signal to manufacturers that they must prioritise low and zero emissions vehicles.

Importantly, the proposed standards should be accompanied by measures to reduce or subsidise upfront costs and increase charging accessibility for all.

The not-for-profit sector has the potential to make a significant contribution to reducing Australia's carbon emissions through the adoption of electric and low-emission vehicles. Additionally, assisting the sector to shift to such technologies will create cost savings that can be put towards extending their crucial work in building stronger communities.

We look forward to the positive impact that the Fuel Efficiency Standard will have on the not-for-profit sector and the broader community. Should you require any further information or clarification, please do not hesitate to contact me.

Yours sincerely,



Denis Moriarty AM
Group Managing Director
Our Community Pty Ltd