



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

**New Vehicle Efficiency Standard Bill
2024, New Vehicle Efficiency Standard
(Consequential Amendments) Bill 2024**

Reference to Committee

SPEECH

Wednesday, 27 March 2024

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Wednesday, 27 March 2024</p> <p>Page 34</p> <p>Questioner</p> <p>Speaker O'Brien, Ted MP</p>	<p>Source House</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Mr TED O'BRIEN (Fairfax) (11:43): I move:

That the New Vehicle Efficiency Standard Bill 2024 and the New Vehicle Efficiency Standard (Consequential Amendments) Bill 2024 be referred to the Standing Committee on Regional Development, Infrastructure and Transport for consideration and an advisory report by 3 May 2024.

For the benefit of all members, I want to explain the motion that I am moving. I am moving this motion in accordance with standing order 143. This standing order provides for a motion concerning a bill to be referred to the Federation Chamber or a committee to be put after the first reading but before the question on the motion for the second reading is put—that is, before we conclude debate on the second reading. That is the simple object of this motion—to seek the agreement of the House to refer the New Vehicle Efficiency Standard Bill 2024 and the New Vehicle Efficiency Standard (Consequential Amendments) Bill 2024 to the Standing Committee on Regional Development, Infrastructure and Transport for consideration and an advisory report.

I'm putting this motion forward because, in short, the measure that the government is seeking to pass through this House has become a complete and utter shambles. It is a mess. This, of course, is their measure to introduce a family car tax. This is where the government has basically said to the coalition, 'We're happy to cooperate.' Then they refused to cooperate and they ignored the coalition. Now they're back in the House saying, 'Oh, but we're ready to cooperate.' This is a government that told the industry that they're happy to engage and work constructively. Then they ignore the industry. Now they're back saying, 'Oh no, we're listening and we're engaging with industry.' This is basically family car tax 1.0 now becoming family car tax 2.0.

There's one group in Australia that we can be absolutely certain has been ignored through this entire process. In fact, I put that this government has unashamedly targeted this group in Australia. It is Australian consumers—the everyday mums and dads who right now are struggling amidst a cost-of-living crisis—who can't afford to pay more money to buy the vehicles they love, to buy the vehicles they need. The last thing they need is a family car tax being introduced.

When the coalition first heard last year that the government will be using a vehicle efficiency standard measure, we were very public in saying, 'We are happy to engage with the government constructively.' We put three key principles forward. We needed to see a balance of: (1) prices, (2) choice and (3) emissions. We're very clear with the government that we are happy to cooperate with them, so long as they come in good faith with a measure and engage constructively with the coalition to balance price, choice and emissions. But the government refused to engage. What's more, the first iteration, family car tax 1.0, made sure that there was a complete imbalance between those three key objectives, which is why, indeed, family car tax 2.0 has become nothing more than a fig leaf to try and camouflage what is yet another iteration of a tax.

We do know a few things for sure. No. 1, we know that consumers will pay more to buy the cars they love. We also know that this government either has refused to do modelling on the impact of car purchase prices or is refusing to release that modelling. Think about this. This is their second bite of the cherry here. We were crystal clear when they came out with their preferred model: release your financials. At least be transparent. What have you got to hide? Tell the Australian people—just be upfront—'Our vehicle efficiency standard, our family car tax, is going to increase the purchasing price by X dollars when you purchase your vehicles.' The government refused to have any transparency on the impact to the Australian consumer. And, despite that, here today they walk into this chamber and table legislation on 'family car tax 2.0', and they still either haven't done that modelling or are refusing to release that modelling. It's pretty obvious why. They are trying to hide the impact of this tax from the very people who are being unashamedly targeted by them to pay for it: the Australian people, who are already feeling the pain when it comes to the cost-of-living crisis which has been created by this Labor government.

Now, if there's any claim that they have made it has been that over time the Australian consumer will save money on the running costs of their vehicles. This government claims that the running costs of their vehicles will go down. Why? Because more people will buy electric vehicles—and there's no problem with that, so long as there's choice. But their argument is that, as more and more people buy EVs, they in fact will be drawing down on the electricity grid, and, because the price of electricity is coming down, their running costs are coming down. Of all the modelling that they could have released, there was one: an assumption on the price of electricity. They assumed that next year, in 2025, the price of electricity will be 27 cents a kilowatt hour. And so, when you hear anybody from this Labor government say, 'Yes, this measure will reduce your running costs,' they are assuming the price will be 27 cents a kilowatt hour.

But what did we find out last week? The draft DMO figures came out which basically indicated the real price of electricity for next year. Guess what? Do you think it's 27 cents?

Opposition members: No.

Mr TED O'BRIEN: Not a chance. Next year's DMO figures go up as high as 56 cents a kilowatt hour. And so the only argument Labor has to run in favour of this tax is based on a flawed assumption of electricity prices coming down.

Now, should that surprise anybody? It shouldn't. This is the same government that went to the election with a promise of a \$275 reduction in household power bills. They know that promise has been broken. In fact, last week's DMO figures proved that it's absolutely broken. Which means they are now perpetrating a deliberate untruth to the Australian people, and they are doing it also with this vehicle efficiency standard claim. Running costs aren't going to come down if the basis of their claim is 27 cents but we know next year it's going to be as high as 56 cents. And then their model goes on to say that every year thereafter electricity prices just keep coming down. Well, they're not going to come down; they're only going to be going up. So not only can this Labor government not be trusted on their claims of cheaper running cost; it is a fact that the purchase price will only go up.

So why, you might ask, would the government be doing this in the first place? They will make all these accusations, as they have before—which I think are a slap in the face of the everyday Australian—implying that everyday Australians are like Putin's Russia because there's no vehicle efficiency standard. Such an argument is absolute garbage when you have this side of the House saying for well over a year that we are happy to be constructive on negotiating such a measure so long as you get those three things in balance: price, choice and emissions. You've had the industry saying that they are prepared to negotiate in good faith. But, again, they have been ignored. There's been one bad faith actor in this negotiation, and that has been the Albanese Labor government.

But why? The reason is that this government applied an arbitrary target to EV sales by 2030. They promised that 89 per cent of all new vehicle sales by 2030 would be electric vehicles. Again, it's one of those many targets by the Minister for Climate Change and Energy which is failing. Their own department was asked, 'What is the trajectory for sales of EVs by 2030?' Do you think their answer was 89 per cent? It was 27 per cent. So, instinctively, what we have seen again from this minister is an act of desperation. Knowing full well he is failing across every aspect of his policy, he knows the only way to reach that target is to slap a punitive tax on everyday Australians to force them to buy the cars he wants them to buy. That's the only way he can achieve his target.

We've seen it right across the board. We know that's what's happening with his 82 per cent renewables target by 2030. That's running at somewhere between one-fifth and half of the pace required. Again, they're steamrolling over regional communities to achieve that target, and now they're going to be steamrolling over everyday Australian families to achieve the EV target.

To be crystal clear where we stand on this: have we ever had a problem, in principle, with the idea of a vehicle efficiency standard? No, which is why we've been on public record saying we're happy for a discussion on this. Have we set principles around it? Yes, we have: price, choice and emissions need to be balanced. Again, that balance has not been struck, which is why we are looking at this and shaking our heads yet again. What we see, in the market, is people being forced, if Labor gets this through, to choose the cars that Labor wants.

Is there any problem with buying an electric vehicle? Of course there's not. The Australian consumer deserves to have the right to choose whatever vehicle suits him, her, or their family. Now, for some people, that will be

an EV, and that's a good thing. But, for other people, especially in regional and remote areas, they can't even contemplate the possibility, and, for other families, the variance of price point just means it's out of reach. Now, in the midst of a cost-of-living crisis, they should not be forced to purchase a vehicle because we have inept minister of government falling short of his targets.

This is why we put this motion to the House: the government has botched this so much. We do require a standing committee to bring light to the darkness of their lack of transparency. We need a standing committee to expose the truth behind what has been a series of untruths perpetrated by this minister and also the minister for transport. For that series of reasons, I put that motion to the House.

The SPEAKER: Is the motion seconded?