



Submission on “Better fuel for cleaner vehicles: draft regulation impact statement for consultation”

By Professor Graeme Zosky, Associate Professor Geoff Morgan, Prof Michael Abramson, Dr Joy Tripovich, Prof Fay Johnston and Professor Guy Marks, on behalf of the Centre for Air pollution, energy and health Research (CAR).

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Thank you for the opportunity to comment on the latest Australian fuel standards consultation.

About the Centre for Air pollution, energy and health Research (CAR)

[CAR](#) is a Centre for Research Excellence funded by the National Health and Medical Research Council. The Centre brings together more than 30 researchers at the forefront of their fields, based in seven of Australia’s leading universities. CAR’s researchers focus on the health impacts of air pollution. The Centre supports teams of researchers in the fields of epidemiology, exposure assessment, toxicology, chemistry, biostatistics and clinical respiratory medicine to pursue collaborative projects and to develop research capacity in this field. Our Centre’s vision for a healthier community is the driving force behind our research and the translation of our work into policy.

General comments

No safe level of air pollution

The evidence is clear – we know that the adverse health effects of air pollution can be detected at levels well below the current Australian National Environmental Protection Measure (NEPM)^{1,2}. There is no safe level of air pollution exposure in terms of human health. These health effects range from deaths due to, and exacerbation of, cardiovascular disease, respiratory disease, metabolic disease and neurological disease³. Any community-level intervention that reduces exposure to air pollution will have a range of social, financial and health benefits for all Australians.

Australia lags behind the world for regulation of vehicle emissions.

The Euro Standard emission requirements are considered to be the gold-standard for the regulation of vehicle emissions from combustion engines that burn fossil fuels. Australia is more than a decade behind the world leaders. The European regulatory environment has now moved several stages beyond Australia’s current framework through Euro 6b (2014) to Euro 6d (2020) and more recently Euro 7 (2023). Euro 7 is the last iteration before the switch to a requirement for zero emission vehicles in 2035. This has, and will, result in improved air quality and the associated benefits to health due to reductions in PM, nitric oxide (NO_x) emissions and other volatile compounds known to have negative impacts on human health including polyaromatic hydrocarbons (PAHS).

Response to RIS consultation

Focus of the consultation

Given the clear benefits to the health of our community through any reduction in air pollution, we are dismayed by the focus questions provided in this consultation which are entirely

directed at the impacts on industry and the consumer experience. There is no opportunity to comment on the voracity of the cost benefit analysis in the relation to the calculated net present value (NPV) based on the benefits to human health. We are also concerned by the leading nature of the consultation questions which guide the (industry) respondents towards a particular outcome that will further reduce the perceived benefit.

Cost benefit analysis (CBA) and net present value (NPV)

The consultancy report that forms the basis of the CBA and NPV⁴ calculations does not appear to be available for review or comment. As experts in the field of health risk assessment for air pollution, we are best placed to provide feedback on this report. In the absence of detail, we are concerned by the likely underestimation of the health benefits associated with improvements in fuel standards due to the restriction of the health impact assessment to respiratory disease, cardiovascular disease and cancer (see page 2). There is well established evidence for a range of health effects beyond these traditional health metrics including metabolic disease (particularly diabetes)⁵, neurodevelopment and neurocognitive decline⁶, premature birth⁷ and impaired development leading to an increased risk of chronic disease later in life⁸. We are also baffled by the lack of inclusion of the (under)estimated \$4.9 billion benefits of transitioning to Euro 6d for the individual Options (see page 4) which gives the perception that the benefits are far smaller than the reality. For example, the avoided health costs for Option 3 compared to the current status quo are not (0.0 + 29.9 + 66.9 Table 5) \$96.8 million, they are \$5 billion when considering the change to Euro6d. Given that both 91 RON and 98 RON are the highest selling fuel products in Australia (combined 6 x greater than 95 RON⁹), allowing a higher maximum aromatic content in these fuels under Option 2 would counteract the intended benefit. On that basis, we strongly advocate for adoption of Option 3 which would provide the greatest benefit to human health.

We also strongly advocate for a version of Option 4 that aligns *all* of the diesel standards with the EU thresholds. The argument for a lack of enforcement of an 8% PAH standard, which would only cost \$1 million, based on a small number of exceedances in the current environment does not take into account the potential for industry to allow increases in PAH content to offset the costs of other changes implemented under this program. It is pleasing to note that most Australian diesels are already below this limit but that does not negate the need to implement a standard to prevent increases in PAH levels in the future. We also question the estimated \$25.1 million health benefit for a 0.5% reduction in particle emissions associated with the proposed changes in diesel standards.

Conclusion

Australia must align with global best practice for vehicle emissions by ensuring that all new cars meet the Euro 6d standard with a switch to Euro 7 as soon as possible. It is critical that fuel composition minimizes emissions under this standard. *Any* reductions in pollution will lead to longer, healthier lives for all Australians.

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For more information

This submission has been produced by the Centre for Air pollution, energy and health Research (CAR).

For more information about CAR contact us

at car@sydney.edu.au or visit our website: www.car-cre.org.au

