

# Caltex Talkingpoint

## CLEANER CARS – the Caltex proposals

**The best way to reduce greenhouse gas emissions from light vehicles is through a package of 'complementary measures' to encourage new, more efficient vehicle technology and use of alternative fuels.**

The Government's Carbon Pollution Reduction Scheme (CPRS) is complicated and fundamentally flawed when it comes to cutting transport emissions. Motorists and users of light commercial vehicles should be excluded from the scheme.

The CPRS will have very little impact on the price of fuel for these users for many years because it imposes a carbon cost and at the same time reduces excise. This means the CPRS will do little to reduce emissions but will needlessly churn billions of dollars in carbon permits through the scheme.

We need a better policy than the CPRS. Here's the policy package that Caltex proposes:



1

Set voluntary targets for the carbon efficiency of new cars and light commercial vehicles, in grams of carbon dioxide emitted per kilometre, that are comparable with those of other countries.



2

Give incentives to consumers to buy more fuel efficient vehicles through a 'feebate' scheme like those already in place overseas. This would provide 'cashbacks' for new low-emission vehicles, funded by fees imposed on those vehicles with higher emissions.



3

Provide grants to Australian manufacturers for research, development and demonstration of lower-emission vehicles, helping to maintain Australian investment and jobs as the world changes.



4

Increase the use of low-carbon-emission fuels like biofuels (such as ethanol and biodiesel), liquefied petroleum gas, and compressed or liquefied natural gas. Inform consumers about choice of fuels.



5

Build more sustainable cities. Urban communities should be developed in a way that allows people access to transport and to work closer to home. Develop better public transport.



**CALTEX**  
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[www.caltex.com.au](http://www.caltex.com.au)  
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## GLOBAL GREEN VEHICLE INITIATIVES

A snapshot of carbon-reduction measures from around the world:



The Mitsubishi iMiEV is a production-ready, four-seater electric vehicle due to be sold in Australia by the end of 2009. Its top speed is 130km/h and it can travel up to 160 kilometres on a single charge. When coupled with electricity from renewable sources, the iMiEV has the potential to be the world's first mass-produced zero emissions car.



### FRANCE

France's implementation of a feebate shows how this type of scheme works in practice. Introduced in January 2008, in the first six months the scheme saw small car sales grow 50 per cent while sales of the most polluting cars fell by 40 per cent. The level of the rebate or fee depends on the amount of CO<sub>2</sub>/km emitted by the vehicle. There is up to €5000 rebate for the least polluting cars and up to €2600 fee for those that pollute the most.



### UNITED STATES

California has introduced the US' first feebate law – the California Clean Car Discount Act 2007. The Governor of Florida has touted the innovation as an example for other states to adopt. Feebates have also been discussed in Connecticut, Maine, Washington DC, Massachusetts, North Carolina, Rhode Island and Vermont.



### IRELAND

Irish authorities altered vehicle taxes last year to reflect the emissions levels of vehicles. Vehicle emissions now impact tax paid at the time of purchase and annual registration fees. For example, a car costing €50,000 which emits 230g/km will cost purchasers €18,000 tax plus an additional €2,000 per year in registration fees.



### BELGIUM

The government provides a tax reduction of up to 15 per cent of the cost of a vehicle for cars with emissions of less than 105 grams of carbon dioxide per kilometres (gCO<sub>2</sub>/km).



### EUROPE

More than 40 of Europe's oil companies have joined forces to run a pan-European consumer awareness campaign on the efficient use of fuel. The "Save more than fuel" program gives tips on how to drive more efficiently and was launched simultaneously in 29 countries. It involves over 45,000 petrol stations and distribution of 30 million leaflets.



### SOUTH KOREA

The government has announced that public sector vehicles (15,000 in all) will only be allowed on the road on alternate days. It plans to replace half its fleet of public-sector vehicles by compact or hybrid versions by 2012.