



## Volkswagen, Hyundai lining up in favour of Vehicle Efficiency Standard, as car execs meet for crisis talks

Exclusive by political reporter [Jake Evans](#)

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Fuel efficiency standards to be put in place on new cars (*Sacha Payne*)

At least three major car brands are lining up behind the government's proposal to cap the emissions of car makers, as car executives hold crisis talks on how to respond.

- **In short:** A number of car makers appear to be in broad support of the government's proposed climate laws for the industry, including Volkswagen, Kia and Hyundai.
- Car executives are meeting today to discuss the proposed New Vehicle Efficiency Standard.
- **What's next?** The federal government will consult with the industry on a final version of the emissions reduction scheme.

Hyundai and Volkswagen are privately saying they are ready to meet the challenge of a New Vehicle Efficiency Standard, which will require each car brand's total sales to remain under a certain

emissions limit, or else cover the shortfall by buying credits or paying a fine.

The standard is imposed by calculating the average fuel economy of all the cars a maker sells each year, not against each individual model, meaning brands can sell more polluting cars but are motivated to balance the ledger by selling more zero or low emissions vehicles.

The car makers are still running the numbers on how the government's proposed trajectory to reduce emissions would affect their processes, and will likely call for tweaks to the proposed model.

But industry sources have told the ABC that European, Korean and electric vehicle brands are broadly lining up behind the government's proposed scheme, while American and Japanese brands are more hesitant.

Senior industry figures are gathering today at a board meeting of the Federal Chamber of Automotive Industries (FCAI), which is made up of executives from several major car brands, including Toyota, Mazda, Mitsubishi, Nissan, Ford, Honda, Hyundai and Tesla.

Ahead of the meeting, a spokesperson for Volkswagen said the company was broadly in favour of the proposed standard.

"Volkswagen Group Australia has been prominent among the voices calling for a strong, binding efficiency standard, in line with the Volkswagen Group's global stance," the company said.

"Australia will be a better place for its auto market no longer being an international outlier."

Car maker Kia last week said it supported a "formalised emissions standard", and was studying the details of the government's proposal, adding it was "confident" it could provide a diverse product range to suit Australians under the standard.

The ABC has been told Hyundai is also broadly in favour of the measure.

## **Climate Council pressures car brands to honour climate commitments**

In individual letters sent on Friday to the car makers on the FCAI's board, the Climate Council wrote to express its "dismay" at the chamber's early response to the government's proposed climate laws.

The letters pressured car makers to honour their public climate commitments and support policy settings that would help to achieve net zero emissions and limit global warming.

Climate Council's head of advocacy Dr Jennifer Rayner said she hoped the FCAI meeting would resolve tensions between the car makers in favour of climate action.

"Australia's New Vehicle Efficiency Standard is a really important opportunity for the car industry to make good on the commitments that it has been making to Australians and to governments about driving down their harmful carbon pollution," Dr Rayner said.

"You've got car brands who are doing the right thing and are coming out to support this important policy, and then you've got others who are dragging the train on transitioning their fleet, and are trying to bulldoze their way to that being the industry position.

"So we hope that tomorrow's meeting is an opportunity for all the car brands which are doing the right thing and working to cut their emissions to make clear that this policy is going to be good for Australians and good for our climate."

Last week, the FCAI claimed the cost to car makers of the government's proposed standard could be as high as \$38 billion over the first five years, if the cars on offer and sales figures remained the same as last year.

Critics say January's car sales data alone disproves that \$38 billion figure.

The ABC has contacted the FCAI for comment.