



Australian Government

Department of Infrastructure, Transport,
Regional Development, Communications and the Arts

Deputy Secretary
Marisa Purvis-Smith

PDR ID EC23-004415

Mr Jason Lange
Executive Director
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Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Email: helpdesk-OIA@pmc.gov.au

Dear Mr Lange

Impact Analysis – Improving Australia’s fuel and vehicle emissions standards – Second Pass Final Assessment

We write in relation to the attached Impact Analysis (IA) prepared for improving Australia’s fuel quality and noxious emission standards for light vehicles.

We are satisfied that the IA addresses the concerns raised in your letter of 17 February 2023. Specifically, our teams have made the following changes in response to your comments.

General

- Added an executive summary.
- Added a summary table of impact categories (Table 10).
- Added a table of common assumptions for the vehicle and fuel quality measures at Appendix C.
- More clearly delineated sections dealing with vehicle emissions standards and fuel quality standards.

What is the policy problem you are trying to solve?

- Provided further information on the health impacts of air pollution, the contribution of road vehicle emissions to these impacts and the distribution of these impacts in sections 1.1 and 1.2.
- Clarified the specific implications of the identified policy problem in section 1.3.
- Added further detail on relevant stakeholders affected by the policy problem to section 1.4.1.
- Clarified the practical implications of increasing divergence between Australian and international noxious emissions standards on the range of vehicles available in Australia in section 1.4.2.
- Expanded section 1.6 to provide additional information on the role of Australia’s refining sector in supporting Australia’s liquid fuel security.
- Better referenced/qualified statements where needed.

Options

- Updated the options section to include an explicit decision rule on the greatest net benefit, consistent with international obligations.
- Added a summary table of options to clarify which vehicle emissions and fuel quality options are viable.

Appendices and sources

- Updated table on vehicle emissions sensitivity analysis.
- Our team will provide your office with copies of the reports that informed the analysis on fuel quality standards. As these have been procured for internal use only, we will not publish these reports.

Accordingly, we are satisfied that the IA is now consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Regulatory Impact Analysis*.

We submit the IA to the Office of Impact Analysis for formal final assessment.

If you have any further queries, please do not hesitate to contact us.

Yours sincerely



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25 May 2023



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25 May 2023