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Response to the ADR Harmonisation Review 2024-25

The Electric Vehicle Council (EVC) welcomes the opportunity to contribute to the Australian Government's review into the harmonisation of the Australian Design Rules (ADR). The EVC is the national peak body for the electric vehicle (EV) industry in Australia representing members across the EV value chain. Our mission is to accelerate the electrification of transport for a sustainable and prosperous future. We congratulate the Department for taking seriously the inefficiencies of the ADR system and the importance of aligning Australia's standards to international norms. The benefits of harmonisation are well known:

- Less modification of international designs for Australia's small vehicle market
- Lower customisation and re-manufacturing costs for compliance purposes
- One-touch testing using standardised evaluation protocols
- Fewer regulatory procedures and/or processing delays
- Faster product deployment in the Australian market
- Greater range of vehicles and improved consumer choice
- Reduced vehicle costs from lower compliance costs and higher market competition.

In general, avoiding market obstacles by aligning with global standards is good housekeeping; for the transition to EVs, it is paramount. With Australia's legislated carbon reduction targets now just 60 months away, timely access to the greatest range of EVs is the only meaningful way to cut transport emissions at scale. Instead, Australian consumers have fewer EVs to choose from than their overseas counterparts and wait approx. 23 months on average before popular global models arrive onshore. In turn, the lack of competition keeps EV prices inflated, further suppressing uptake.

The EVC recommends investigating the following areas further, as part of the Review:

1. Risk-based audit of non-harmonised ADR

Quantifying the scale of divergence from international norms should be an early priority. The EVC recommends an audit of all Third Edition ADRs to determine to what extent they are harmonised with international regulatory regimes (see below) and the policy justification for any divergence. Such justification should establish how enforcement of an alternate international standard would *adversely* impact the community in a material way. In the past, ADRs have been used to enforce bespoke vehicle requirements with little policy rationale. For example, the ADRs specified that heavy vehicles (including EVs) must be 5-10cm narrower than overseas trucks with almost zero public policy justification. The ADR was only revised in 2024 after a decade of advocacy from industry.

2. Mutual recognition of alternative standards

Expanding the list of alternative standards recognised in the ADRs will be critical, particularly as the global automotive industry continues to evolve. UNECE standards have been successfully integrated into many ADRs whereas US and Japanese standards are less consistently recognised. ADR 00 offers a template for recognising alternative regulations *as standard* within the ADRs. Again, a risk-based approach should inform which international regulations qualify for mutual recognition, justified with suitable evidence as to the likely impact on the Australian community.

3. EV fast lane

Electrifying Australia's on-road fleet will come predominantly from introducing innovative designs and novel technologies to Australia but the ADRs do not currently facilitate innovation. The EVC recommends a one-touch regulatory window for manufacturers importing new EV models. This could take the form of a streamlined regulatory process supported by a dedicated unit within the Department, skilled up on the unique technical requirements of electrified drivetrains. An EV fast lane could also prioritise urgent updates to existing ADRs that may be hampering EV deployments (e.g. on battery safety, charging interfaces, infrastructure compatibility etc.). Per the above, the EV fast lane should align with existing international standards and testing requirements wherever possible using mutual recognition of technical equivalency.

4. Timing and processes

The time and cost of complying with the ADRs is currently opaque. The EVC recommends capturing anonymised data on the regulatory burden associated with ADR compliance. Publishing industry-wide averages on the time taken to navigate the ADRs would be consistent with other government transparency metrics (e.g. time taken to establish a business). It would also benchmark how efficiently EVs can be introduced into Australia and, indirectly, how internationally aligned the ADRs are. Once benchmarked, the Department should endeavour to reduce average compliance times as an ongoing KPI.

Given the tight timeframes for this consultation, the EVC would welcome the opportunity to discuss these matters further as the Review proceeds. If you have any questions, please contact [REDACTED]

Thank you for your consideration of our submission.

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