



New Vehicle Efficiency Standard Determination 2024 - Reasons for Decision

December 2024

Background

The Minister made the *New Vehicle Efficiency Standard Determination 2024* on 6 December 2024 (the determination).

The determination specifies a class of vehicles that will have a temporary exempt vehicle status for the purposes of the Act, namely vehicles between the 3.5 and 4.5 tonne gross vehicle mass (GVM) which are not currently required to undergo an Australian carbon dioxide (CO₂) test under the Australian Design Rules (ADR).

Authority

Section 34 of the *New Vehicle Efficiency Standard Act 2024* (NVES Act) provides that if the Minister makes a determination they must ensure that a notice is published on the department's website that sets out:

- (a) the reasons for the Minister's decision to make the determination; and
- (b) as submissions were made as part of public consultation in response to the notice published under subsection 36(1) in relation to the determination--which of those submissions (if any) the Minister considered.

This document sets out the reasons for the determination in satisfaction of section 34 of the NVES Act.

Outline of reasons

1. The reasons for this decision are:
 - a. The determination is consistent with the objects of the NVES Act, namely it is consistent with the object of ensuring a transparent and flexible standard that is able to be calibrated over time according to policy needs, and is robust and based on the best available evidence.¹ The determination supports the operation of the NVES Act in respect of ensuring that vehicles that are unable to comply with the NVES Act due to lack of mandated testing procedure are exempt.

¹ NVES Act s 3(a)(iii), s 3(a)(iv).

- b. It is currently mandatory for vehicles under 3.5 tonnes GVM to undergo a CO₂ test under ADR 81/02. This does not apply to vehicles that weigh above 3.5 tonne GVM.
 - c. The determination is necessary to ensure that vehicles (for which ADR 81/02 doesn't currently apply) are exempt from complying with the NVES Act, when there is no current way for vehicles between 3.5 and 4.5 tonnes GVM to fulfil their requirements under the NVES Act.
 - d. The determination allows for a class of vehicle to be to be exempt from compliance with NVES Act until such a time that a new or varied ADR is created.
2. The department may consult on a proposed ADR or amendment to an ADR in due course.
 3. The determination expires after 31 December 2029. This decision was made to ensure that timing of the determination's expiry aligns with the cessation of the headline limit for 2029. After the end of the introductory period (for 2030 and beyond), the headline limits a year will be determined in an instrument made by the Minister, or carry forward from the previous year.

The submissions considered by the Minister

Paragraph 36(2)(b) of the NVES Act provides that the Minister must publicly consult on this determination for at least 60 days.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) opened public consultation on 9 August 2024 by publishing a notice on the department's website including a draft of the proposed determination, and closed public consultation on 8 October 2024. The department received 73 submissions in total to the consultation on the proposed exemption determination from automotive industry peaks and motoring associations, car manufactures, climate groups, electric vehicle associations, groups representing farming and regional communities, international organisations, government and individuals.

In deciding to make the determination the Minister considered all submissions received within the consultation timeframe. These submissions are published on the department's website.