

8th of October, 2024.

**Department of Infrastructure, Transport,
Regional Development, Communications and the Arts**
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Canberra ACT 2601

Via email: CleanerCars@infrastructure.gov.au

**The Electric Vehicle Council's Response to the Australian Government's
New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024**

The Electric Vehicle Council (EVC) welcomes the opportunity to respond to the Australian Government's New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024.

The EVC is the national peak body for the electric vehicle (EV) industry in Australia. We represent members across the EV value chain, including car, bus and truck manufacturers, importers, electricity network operators, charging infrastructure suppliers, recyclers, fleets, financiers, retailers, service providers, property owners and charging networks. Our mission is to accelerate the electrification of transport for a sustainable and prosperous future.

We congratulate the Australian Government for its leadership in developing a well-overdue, technology-neutral New Vehicle Efficiency Standard for Australia. After a decade of inaction by successive, former governments, Australia finally has a globally competitive NVES that is already delivering an increase in vehicle choice for consumers by OEMs anticipating its introduction next year, and the EVC expects it to deliver significant reductions in transport costs and emissions for Australian households and businesses.

The NVES is a key policy lever for delivering a future where all Australians have access to a wide range of low and zero emission vehicles, many of which will be powered by Australian-made energy and built using Australian-mined materials. The NVES will also be a critical tool for supporting the transport sector in doing its fair share to achieve our national climate targets.




Exempt Vehicles Determination 2024

Fundamentally, the EVC supports the government's intention to include all new light vehicles under the NVES, including so-called light NB1-complied vehicles e.g. full-size utes. These vehicles already receive significant tax concessions, being exempt from the luxury vehicle tax (as are many NA-complied utes), and gain access to other tax benefits – such as being exempt from the car depreciation limit. Light NB1 vehicles are some of the least efficient vehicles on our market and therefore fall within the scope of the NVES to encourage more efficient, and ideally low and zero emission models for Australia.

While light NB1 vehicles generally represent less than 1% of all new vehicles sold in Australia each year, there is no clear justification to exclude them from the NVES in the long term.

With the above said, the EVC recognises the government is proposing to take a pragmatic approach to carving in light NB1 vehicles. This phase-in approach is required as these vehicles are not currently required to comply with ADR 81/02, and therefore, may not have the CO₂ emissions data confirmed in Australia to be assessed against the NEDC test cycle emissions targets set under the NVES. As a result, many of these vehicles cannot practically comply with the NVES at present.

In line with the government’s figure below¹, the EVC supports the recommendation for light NB1 vehicles to be temporarily exempt from the NVES until the beginning of 2026. This will provide sufficient time for type approval holders to test their vehicles against ADR 81/02, and then be assessed against the 2026 NVES target using these CO₂ emissions figures.

Vehicles in scope of the exemption		Currently	2025	2026				
Light NB1 vehicles  Large utes  Vans	NVES	Lighter NB1 vehicles can be tested to light vehicle standards, but are not required to comply with ADR 81/02	Transitional exemption for lighter NB1 vehicles in force	Transitional exemption expires				
	ADR	Amendments to ADR 81/02 to require fuel consumption and CO ₂ testing for lighter NB1 vehicles	Lighter NB1 vehicles can be tested to ADR 81/02. Manufacturers complete testing and submit information required to update type approvals	All lighter NB1 vehicles tested to ADR 81/02				
Vehicles in scope of the exemption		Currently	2025	2026	2027	2028	2029	2030
Heavy NB1 vehicles  Light duty rigid trucks	NVES	Not in scope of NVES. No comparable vehicle testing currently available for heavy NB1 vehicles	Exemption for heavy NB1 vehicles that cannot be tested to light vehicle standards	Exemption in force	Exemption in force	Exemption in force	Exemption in force ¹	Exemption Determination expires
	ADR	Amendments to ADR 81/02 won't require fuel consumption and CO ₂ testing for heavy NB1 vehicles	N/A	N/A	N/A	N/A	N/A	N/A

¹ The Minister will consider to extend the exemption before the Exemption Determination expires.

This is a reasonable and pragmatic approach that only amounts to a 6-month delay relative to the effective start date of 1 July 2025 (when penalties start to apply). The EVC is supportive of this approach but does not see any reasonable justification for a further extension of this temporary exemption beyond 1 January 2026.

It is important that light NB1 vehicles are included in the NVES as soon as practicable to avoid creating an incentive to purchase these larger vehicles over MA/MC/NA vehicles, which could potentially emerge in time – particularly as NVES targets fall towards 2030.

As per the government’s recommendation, the EVC also supports the exclusion of heavy NB1 vehicles e.g. light-duty rigid trucks, from the NVES. The EVC encourages the government to explore other opportunities to enable the decarbonisation of heavy vehicles, including light-duty rigid trucks. This could include consideration of a separate efficiency standard for heavy vehicles – similar to the US, however, this should be discussed as part of a broader consultation on the development of a national zero emission heavy vehicle strategy for Australia.

¹ <https://www.infrastructure.gov.au/sites/default/files/documents/nves-proposed-exemption-determination-presentation.pdf>

There is no reasonable justification for delaying the implementation of the NVES for the remaining 99%+ of the market – despite some stakeholders using this consultation to call for such a move. While former governments would have ideally not allowed vehicles – like full-size utes – to be sold in Australia without CO₂ emissions information, the current government has a reasonable plan to resolve this during 2025. This has no bearing on the implementation of the scheme for MA/MC/NA-complied vehicles, and the EVC supports the government in continuing to implement the NVES as planned, starting 1 January 2025.

Other Exemptions

The EVC notes the government has flagged this consultation as an opportunity for stakeholders to recommend other exemptions for consideration. In general, the EVC is opposed to any further exemptions for the NVES except for very specialised vehicles e.g. ambulances, military, etc.

The EVC agrees with the government's guiding principles for determining NVES exemptions across environmental, market and administrative parameters. At this stage, we see no justification for any exemption based on sales volume, geography and/or industry.

Next Steps

The EVC supports the government's proposal to temporarily exempt light NB1 vehicles until 1 January 2026. We also support the on-going exemption of heavy NB1 vehicles, but recommend the government investigate alternative approaches to enabling the decarbonisation of heavy vehicles, including through the development of a national zero emission heavy vehicle strategy.

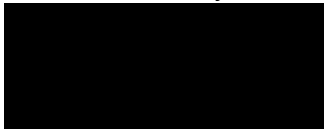
We also note that the EVC is a member of the government's NVES emissions testing working group and we look forward to working with the government and other stakeholders on supporting an appropriate emissions test conversion protocol to enable WLTP/EPA-tested vehicles to be assessed against the NEDC targets set under the NVES. We support this protocol being finalised as soon as possible and stress the importance of this work moving forward promptly.

More broadly, we look forward to continuing to work with the government, our members and other stakeholders to support the implementation of Australia's first new vehicle efficiency standard – a major achievement for our country, and we again thank the government for its leadership on this critical transport policy.

If you have any questions on this submission, please contact Dr Jake Whitehead, Chief Scientist, at: office@evc.org.au

Thank you for your consideration of our submission.

Yours sincerely,



Samantha Johnson
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Electric Vehicle Council