



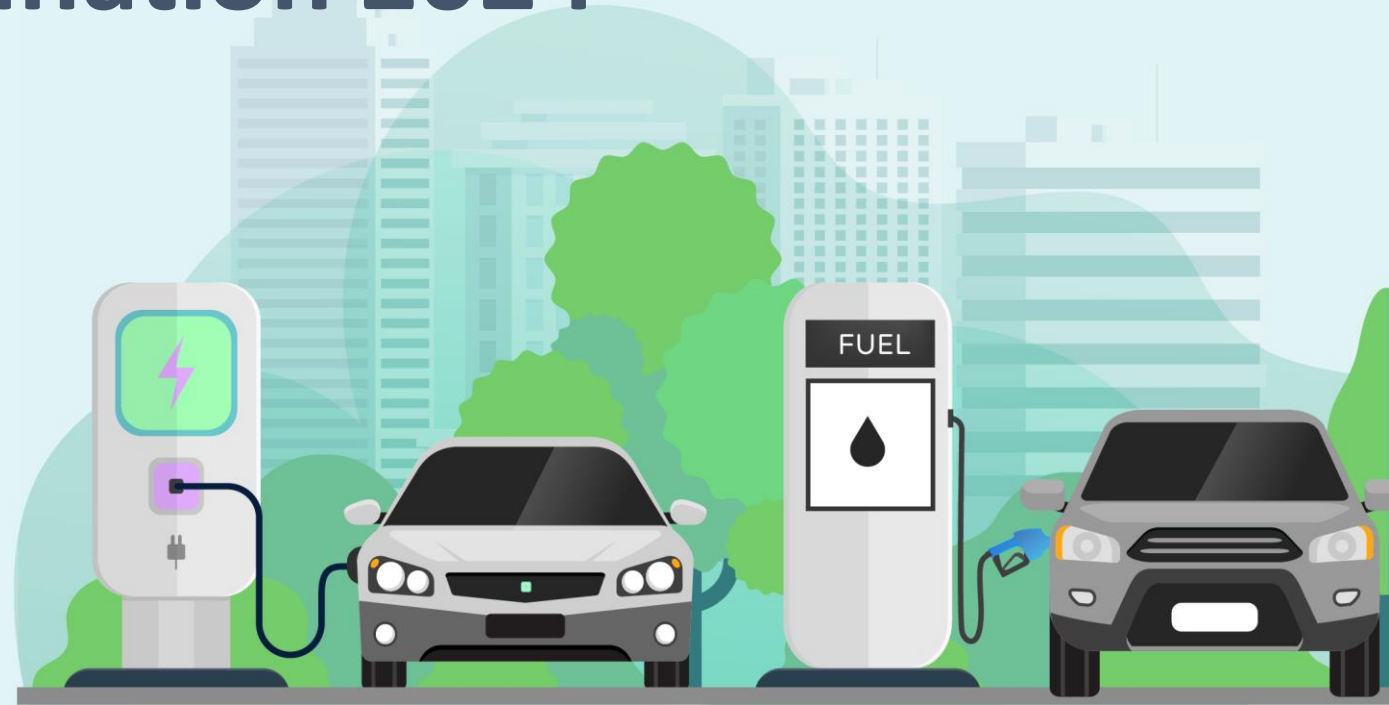
**Australian Government**

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

**OFFICIAL**

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# Proposed New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024



NVES Strategy, Policy & Coordination Section  
Reducing Surface Transport Emissions Branch

# Background



- On 31 May 2024, the *New Vehicle Efficiency Standard Act 2024* (NVES Act) received **Royal Assent**.
- The NVES Act will commence on 1 January 2025, but units and penalties commence from 1 July 2025, allowing manufacturers enough time to enable the preparation and testing of essential data reporting capabilities.
- The Government is now focused on implementing the Standard, and a number of legislative instruments are required, including exemption to the NVES Act.
- The Government has developed the *Proposed New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024* to address certain types of vehicles that cannot practically comply with the Standard.



# During NVES consultation, a range of exemptions were suggested



**Weight-based:** Vehicles that are used primarily for commercial purposes, between 3.5 -4.5 tonnes Gross Vehicle Mass (GVM).



**Category of vehicles:** Vehicles in the NB1 category (3.5 to 4.5 tonnes GVM) for which a CO<sub>2</sub> emissions test is not currently required under the Australian Design Rules.



**Vehicles used to provide services to the Australian public:** Vehicles with special purposes, such as those used by the military, law enforcement, health and emergency services.



**Domestic manufacture:** Vehicles which are supplied to the market following a process of domestic manufacture, such as second stage manufacturing.



**Low-volume suppliers:** Suppliers of less than 1000 units (for example) per annum.



**Geography-based:** Vehicles sold through dealerships in rural and regional areas.



**Industry-based:** Vehicles used for the purposes of primary production.



# The exemption parameters

To assist with this work the Hon Catherine King MP has approved the [New Vehicle Efficiency Standard Exemption Principles](#) to guide the department's consideration of any exemptions made under the NVES Act.

## 1. Environmental parameters:

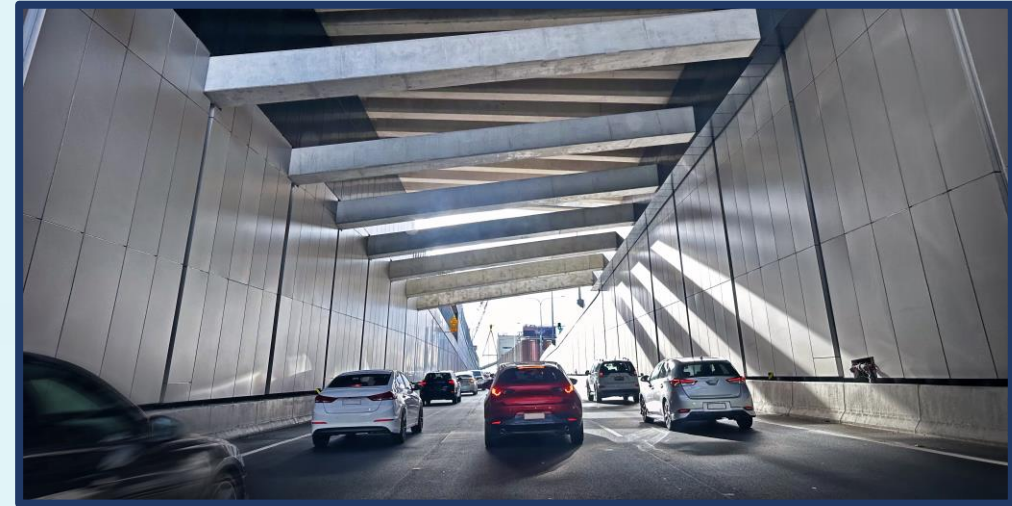
- Minimise the number of vehicles affected
- Minimise the time-length of any exemption

## 2. Market parameters:

- Exemptions should be competitively neutral
- Exemptions should relate to vehicles for which there are no close substitutes in the current market

## 3. Administrative parameters:

- Establishing and applying any exemption should be as simple as possible.
- Minimise the administrative burden on regulated entities.



# Exclusions from exemption consideration

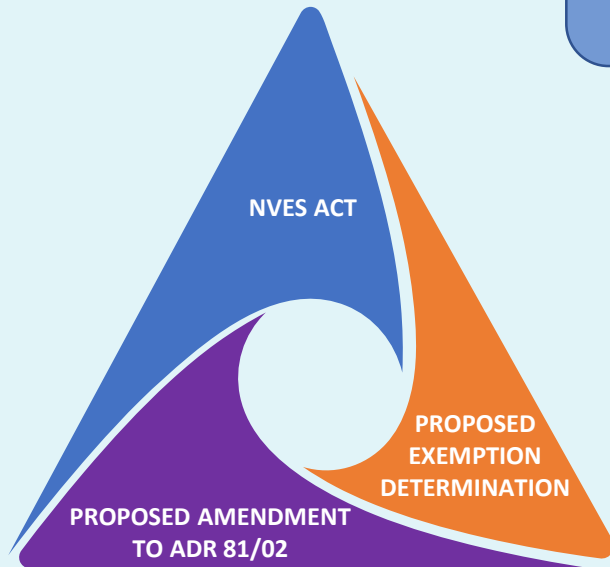
- An exemption to the Standard will **not apply to named models of vehicles** or particular named manufacturers.
- **Exemptions are not administrative;** meaning for the purpose of the NVES Act, a person **cannot** make an application to be exempt from the Standard.
- **An exemption determination will not exempt named persons** with obligations under the NVES Act, nor any of the specific vehicle types they may sell in Australia.



# The proposed exemption determination

## NVES Act 2024

- The NVES Act will commence on **1 January 2025**.
- Captures Passenger and Light Commercial vehicles. Type 1 (MA, MB, MC) and Type 2 (NA, NB1, MC).



## Proposed Exemption Determination 2024

- The proposed draft determination would **exempt vehicles** that are **not presently required to have an Australian CO<sub>2</sub> test under Australian Design Rule (ADR) 81/02** to address certain types of vehicles that cannot practically comply with the Standard.
- In practice, this means that vehicles that have a Gross Vehicle Mass (GVM) of more than 3.5 tonnes would be exempt. **This would include NB1 vehicles.** Our intention is that vehicles with more than 3.5 tonnes GVM are **carved in** gradually if appropriate over the next few years as they are required to get CO<sub>2</sub> tests under amendments to Australian Design Rule (ADR) 81/02.
- The *Proposed New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024* has been designed in such a way that as vehicles are required to get a CO<sub>2</sub> test under an ADR, they will lose their exempt status from the **beginning of the following calendar year.**

## Proposed Amendments to ADR 81/02

- Our intention is to amend ADR 81/02 to include CO<sub>2</sub> testing for vehicles over 3.5 tonnes that have a **US or UN specified light vehicle test**. Once the amendment is implemented, these vehicles would be subject to the NVES.





# Amendments to ADR 81/02



These amendments will define the emissions testing and reporting requirements for vehicles between 3.5t and 4.5t that can be tested to **UN or US light vehicle testing standards**, and specify a **conversion procedure** for vehicles tested to the latest international standards.


Amendments to ADR 81/02 are needed because:

- A conversion protocol will need to be established for vehicles that comply with the Euro 6d ADR package (ADR 79/05). This is because the Euro 6d ADR package requires testing WLTP or US EPA standards. The CO<sub>2</sub> targets specified in the NVES Act are expressed in accordance with the NEDC test procedure.
- A conversion protocol will be required to prevent vehicles tested to WLTP or US EPA standards for ADR 79/05 needing to be retested to NEDC just for the purpose of the NVES. We are aiming to have this protocol settled by the **end of 2024**.
- To mandate CO<sub>2</sub> testing of vehicles with GVM between 3.5 and 4.5 tonnes for which a testing standard is available internationally.
- Hydrogen fuelled vehicles are not currently required to test or report fuel consumption on CO<sub>2</sub> emissions.



# A proposed exemption & ADR 81/02 implementation timeline for comment

Vehicles in scope of the exemption		Currently	2025	2026
<p><b>Light NB1 vehicles</b></p>  <p>Large utes</p>  <p>Vans</p>	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 CO2 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

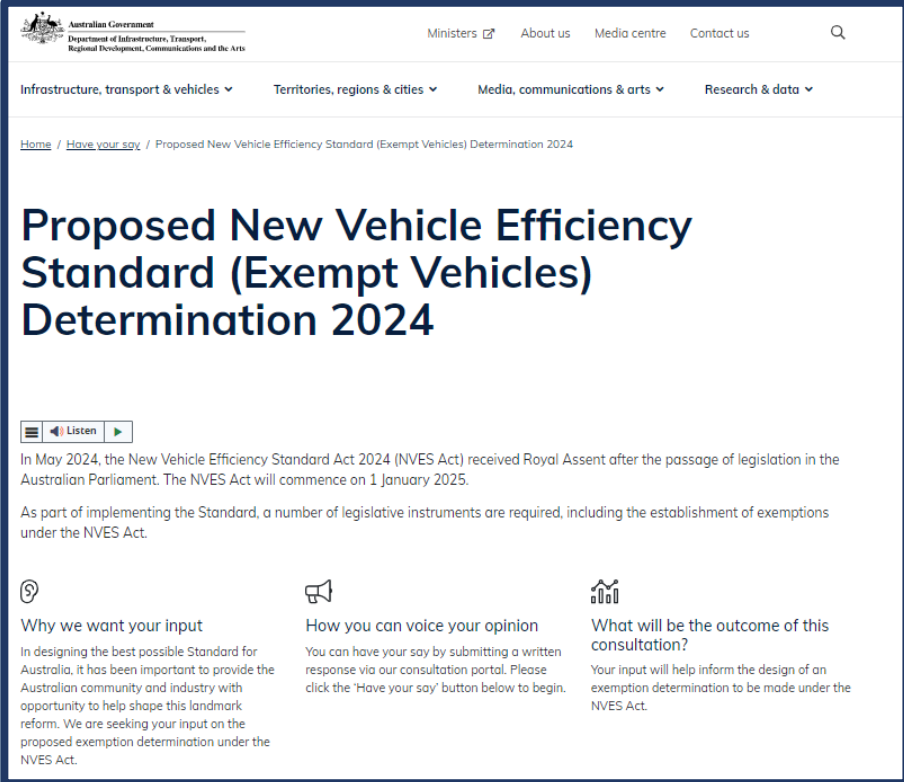
Vehicles in scope of the exemption		Currently	2025	2026	2027	2028	2029	2030
<p><b>Heavy NB1 vehicles</b></p>  <p>Light duty rigid trucks</p>	NVES	Not in scope of NVES. No comparable vehicle testing currently available for heavy NB1 vehicles	Exemption for heavy NB1 vehicles that cannot be tested to light vehicle standards	Exemption in force	Exemption in force	Exemption in force	Exemption in force <sup>1</sup>	Exemption Determination expires
	ADR	Amendments to ADR 81/02 <b>won't</b> require fuel consumption and CO2 testing for heavy NB1 vehicles	N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> The Minister will consider to extend the exemption before the Exemption Determination expires.



# Public Consultation – Exemption Determination

- The *Proposed New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024* is now open for a 60-day public consultation at the department's **'Have your Say' website**. **Submissions close on 8 October 2024.**
- We welcome written submissions to inform the development of the legislative determination. If vehicle suppliers feel that other exemptions should be considered this is the consultation process through which to make their case.
- The Government will undertake periodic reviews of the NVES, starting in 2026. The review process will offer the opportunity assess the policy effectiveness, refine the regulatory systems and mechanisms and consider whether other exemptions may need to be made.
- If you have any issues you would like to discuss, contact us by sending an email to [CleanerCars@infrastructure.gov.au](mailto:CleanerCars@infrastructure.gov.au).



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## Proposed New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024

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In May 2024, the New Vehicle Efficiency Standard Act 2024 (NVES Act) received Royal Assent after the passage of legislation in the Australian Parliament. The NVES Act will commence on 1 January 2025.

As part of implementing the Standard, a number of legislative instruments are required, including the establishment of exemptions under the NVES Act.

[🗣️](#) Why we want your input

In designing the best possible Standard for Australia, it has been important to provide the Australian community and industry with opportunity to help shape this landmark reform. We are seeking your input on the proposed exemption determination under the NVES Act.

[🗣️](#) How you can voice your opinion

You can have your say by submitting a written response via our consultation portal. Please click the 'Have your say' button below to begin.

[📊](#) What will be the outcome of this consultation?

Your input will help inform the design of an exemption determination to be made under the NVES Act.

