

# DRAFT FOR CONSULTATION

## Explanatory Statement

Issued by the Authority of the Minister for Infrastructure, Transport, Regional Development and Local Government

*New Vehicle Efficiency Standard Act 2024*

### *New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026*

#### Authority

The *New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026* (the amending Determination) is made under section 29 of the *New Vehicle Efficiency Standard Act 2024* (the NVES Act) and amends the *New Vehicle Efficiency Standard Determination 2024* (the Exemption Determination).

Paragraph 29(1)(c) of the *New Vehicle Efficiency Standard Act 2024* (NVES Act) empowers the Minister, by legislative instrument, to determine that a class of vehicle has exempt vehicle status, with reference to the definition of ‘exempt vehicle’ in section 16. Vehicles that are exempt under a determination made under paragraph 29(1)(c) will not be included as a Type 1 vehicle under paragraph 13(2)(b) or a Type 2 vehicle under paragraph 14(2)(b) of the NVES Act. Consequently, these vehicles will not be included in the calculation of the *interim emissions value*, or the *final emissions value* for a regulated entity.

Subsection 33(3) of the *Acts Interpretation Act 1901* relevantly provides that where an Act confers a power to make a legislative instrument, power shall be construed as including a power exercisable in the like manner amend or vary any such instrument. By operation of the NVES Act, subsection 13(1), the *Acts Interpretation Act 1901* applies to instruments made under the NVES Act.

#### Purpose

The purpose of this amending Determination is to amend the Exemption Determination to remove exempt vehicle status from 1 July 2027 for vehicles with a gross vehicle mass (GVM) over 3.5 tonnes and under 3.855 tonnes where those vehicles will be required to comply with Vehicle Standard (Australian Design Rule 81/03 – Energy Consumption Labelling for Light Vehicles) 2025 (ADR 81/03) or Vehicle Standard (Australian Design Rule 114/00 – Carbon Dioxide Emissions Measurement) 2026 (ADR 114/00).

The ADRs may be freely accessed online through the Federal Register of Legislation. The website is [www.legislation.gov.au](http://www.legislation.gov.au).

ADR 81/03 requires vehicle models with a GVM over 3.5 tonnes that are sold for the first time from 1 July 2026 to comply with a carbon dioxide emissions testing requirement, if the vehicle is fitted with a label containing information on the vehicle’s fuel consumption, carbon dioxide emissions, energy consumption and/or battery range.

## DRAFT FOR CONSULTATION

ADR 114/00 requires vehicles supplied from 30 June 2027 with a gross vehicle mass over 3.5 tonnes (other than *work vans*<sup>1</sup> or *work trucks*<sup>2</sup>) that would be regarded as a light duty vehicle in the United States (vehicles with a gross vehicle mass under 8,500 pounds or 3,855kg) to comply with a carbon dioxide emissions testing requirement. This ensures these vehicles can be included in the calculation of a regulated entities' 'interim emissions value' under Section 19 of the NVES Act. The NVES Act is intended to set average CO<sub>2</sub> emissions targets for light vehicles. This includes vehicles with a GVM between 3.5 and 4.5t, if the vehicle is designed to be a substitute for a passenger vehicle.

The Schedule of the amending Determination amends clause 4 of the Exemption Determination to:

- Amend the definition of *NVES Integration Date* at subsection 4(1) of the Exemption Determination to mean the end of the day on 30 June 2027, if the vehicle is required to comply with ADR 114/00 or ADR 81/03. If the vehicle is not required to comply with one of these ADRs, the *NVES Integration Date* remains the end of the day on the 31 December after an *ADR on Carbon Dioxide Emissions* applies to the vehicle.
- Amend the definition of *ADR on Carbon Dioxide Emissions* at subsection 4(3) of the Exemption Determination to explicitly include ADR 81/03 and ADR 114/00.

The Schedule also amends subsection 6(1) of the Exemption Determination to clarify that a vehicle type that was not currently required to comply with an *ADR on Carbon Dioxide Emissions* immediately before 1 July 2026 retains exempt vehicle status until the *NVES Integration Date*, even if it complies with an *ADR on Carbon Dioxide Emissions* before that date. This means that a vehicle over 3.5t GVM complies with ADR 81/03 or ADR 114/00 and was supplied before 1 July 2027, it will have exempt vehicle status and will not be included in the calculation of a regulated entity's' *interim emissions value* under the NVES Act.

### Summary of the Amending Determination

Details of the instrument are set out in [Attachment A](#).

### Consultation

Paragraph 36(2)(b) of the NVES Act requires the Minister to publicly consult on a proposed determination for at least 60 days after a notice is published on the Department's website. On the Minister's behalf, the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the department) opened public consultation on the Amending Determination in May 2026 by publishing a notice on the 'Have your say' page of the department's website including a draft of the proposed determination, and closed public consultation on 20 July 2026.

---

<sup>1</sup> As defined in clause 4.1 of ADR 114/00

<sup>2</sup> As defined in clause 4.2 of ADR 114/00

## DRAFT FOR CONSULTATION

In addition to this mandatory public consultation period on the determination, the department previously consulted extensively on the related testing requirements specified in ADR 114/00 and ADR 81/03 through a dedicated working group established previously by the department to support the implementation of the NVES. This working group, which was open to participation by all stakeholders, involved 50 members representing vehicle manufacturers, technical experts and peak bodies representing dealers and motoring groups, and met 20 times between August 2024 and August 2025.

A public consultation on the proposed testing requirements for cars, SUVs and utes up to 4.5t GVM was also undertaken by publishing a notice on the 'Have your say' page of the department's website from December 2024 to February 2025. During this consultation, climate groups and electric vehicle advocates supported extending the proposed testing requirements to cars, SUVs and utes up to 4.5 tonnes GVM as soon as possible. However, vehicle manufacturers raised concerns that this would impose a unique testing requirement that has not been adopted in other countries and would not allow sufficient time for affected manufacturers to comply without stopping the sale of affected models.

To address these concerns, the scope of the proposed ADR 114/00 was revised to only require cars, SUVs and utes that would be regarded as light duty vehicles in the United States (vehicles with a gross vehicle mass up to 8,500 pounds or 3,855kg) to comply with a carbon dioxide emissions testing requirement from 30 June 2027, to enable their inclusion in the NVES from 1 July 2027.

This revised proposal was released for further consultation with international stakeholders through a 'Technical Barriers to Trade' notification to the World Trade Organisation from 3 December 2025 to 12 January 2026. Further changes to the draft ADR were made in response to comments received from stakeholders representing US and Chinese vehicle manufacturers, to clarify which vehicle types are exempt from the proposed testing requirements.

Further consultation is proposed in future years to consider what testing requirements should be adopted for cars, SUVs and utes with a GVM between 3,855 and 4,500kg to enable their inclusion in the NVES from 2030.

### **Statement of Compatibility with Human Rights**

A statement of compatibility with human rights for the purposes of Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is set out at [Attachment B](#).

**Details of the *New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026***

**Section 1 – Name**

This section provides that the name of the instrument is the *New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026*.

**Section 2 – Commencement**

This section provides for the instrument to commence on 1 January 2027. This is because NVES Act (subsection 29(5) requires any determination made under section 29 of the Act to commence at the start of a year.

**Section 3 – Authority**

This section provides that the instrument is made under paragraph 29(1)(c) of the *NVES Act*. That provision authorises the Minister to determine that a class of road vehicle has exempt vehicle status under section 16 of the NVES Act, by legislative instrument.

**Schedule 1 – Amendments to *New Vehicle Efficiency Standard Determination 2024***

**Item 1 – Subsection 4(1)**

This item amends the definition of '*NVES Integration Date*' in subsection 4(1) to mean the end of the day on 30 June 2027 if the vehicle is required to comply with ADR 81/03 or ADR 114/00.

For vehicles that are not required to comply with ADR 81/03 or ADR 114/00, these classes of vehicles will retain exempt vehicle status until end of the day of the 31 December after compliance with an *ADR on Carbon Dioxide Emissions* is required by that vehicle type.

**Item 2 – Subsection 4(3)**

This item amends the definition of *ADR on Carbon Dioxide Emissions* to explicitly include ADR 81/03 and ADR 114/00.

This provision is intended to ensure vehicles that are required to comply with these ADRs or any new ADR that requires testing of carbon dioxide emissions are covered by this definition.

**Item 3 – Subsection 6(1)(a) (Exempt Vehicles)**

This item amends subsection 6(1)(a) which specifies what classes of vehicles have exempt vehicle status under Section 16 of the NVES Act.

## DRAFT FOR CONSULTATION

This amends paragraph 6(1)(a) to clarify that a vehicle that is not required to comply with an *ADR on Carbon Dioxide Emissions* immediately before 1 July 2026 retains exempt vehicle status until the *NVES Integration Date*. This means if a vehicle was supplied before the *NVES Integration Date*, it cannot be counted in the calculation of a regulated entities' *interim emissions value* under Section 19 of the Act. In this case, the exemption continues to apply to the start of 1 July 2027 even if the vehicle complies with an *ADR on Carbon Dioxide Emissions* before that date.

DRAFT

### **Statement of Compatibility with Human Rights**

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### ***New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026***

This disallowable legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Overview of the Legislative Instrument**

The *New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026* (the amending Determination) is made under section 29(1)(c) of the *New Vehicle Efficiency Standard Act 2024 (the NVES Act)*.

The amending Determination amends the *New Vehicle Standard Determination 2024* (the Exemption Determination) to make several amendments, including:

- amending the definition of *NVES Integration Date* to enable vehicles to lose exempt vehicle status at the end of the day on 30 June 2027, if the vehicle is required to comply with carbon dioxide emissions testing requirements in ADR 81/03 or ADR 114/00.
- amending the definition of *ADR on Carbon Dioxide Emissions* to explicitly include the recently adopted ADR 81/03 (Energy Consumption Labelling for Light Vehicles) and ADR 114/00 (Carbon Dioxide Emissions Measurement).
- amending the criteria for exempt vehicle status to clarify that vehicles that comply with an *ADR on Carbon Dioxide Emissions* before the *NVES Integration Date* will have exempt vehicle status until the *NVES Integration Date*.

### **Human rights implications**

This disallowable legislative instrument is technical in nature and does not engage any of the applicable rights or freedoms outlined in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Conclusion**

This disallowable legislative instrument is compatible with human rights as it does not raise any human rights issues.