Australian Government
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

Statement of Reasons for decision under the New Vehicle Efficiency Standard Act – Decision to make a Determination : New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026

September 2026

Background

The Minister made the New Vehicle Efficiency Standard Amendment (NVES Integration Date) Determination 2026 on 17 September 2026 described below as the 'Amending Determination'.

This Amending Determination amends the New Vehicle Efficiency Standard Determination 2024 (the determination), made under paragraph 29(1)(c) of the *New Vehicle Efficiency Standard Act 2024* (the Act), which provides for the Minister to make a determination that a class of vehicles has exempt vehicle status for the purposes of the Act. The Amending Determination removes exempt vehicle status from 1 July 2027 for vehicles with gross vehicle mass (GVM) over 3.5 tonnes that are required to undergo carbon dioxide (CO_2) emissions test under Australian Design Rules (ADR) 81/03 (Energy Consumption Labelling for Light Vehicles) or ADR 114/00 (Carbon Dioxide Emissions Measurement). This is because ADR 81/03 and ADR 114/00 will enable vehicles with a GVM up to 3.855 tonnes to report a verifiable CO2 emissions number for the purposes of the Act.

Authority to make the determination

Subsection 29(1) of the Act, provides for the Minister to make a determination that a class of vehicles has exempt vehicle status for the purposes of the Act.

Subsection 33(a) of the Act requires the Minister to consider the Objects of the Act, which are specified in Section 3 of the Act.

In accordance with Subsection 33(b) of the Act, the Minister may also consider all submissions made as part of the public consultation process required under Section 36 of the NVES Act, and any other matter that the Minister considers relevant.

Section 34 of the *New Vehicle Efficiency Standard Act 2024* (NVES Act) states 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) if 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 accordance with section 34 of the NVES Act.

Outline of reasons

1. The reasons for the Minister's decision are:
    a. This determination is consistent with the objects in Section 3 of the Act, to ensure 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 by ensuring that vehicles with a GVM over 3.5 tonnes are subject to the NVES, if those vehicles have a CO_2 test procedure mandated by an ADR.
    b. Vehicles between 3.5 and 3.855 tonnes GVM (other than 'work vans' and 'work trucks') supplied from 30 June 2027 will be required to undergo a CO_2 test under ADR 114/00 or ADR 81/03. These vehicles typically compete with vehicles that have a gross vehicle mass under 3.5 tonnes.
    c. The determination is necessary to ensure that vehicles that are now required to undergo a CO_2 emissions test mandated by ADR 114/00 or ADR 81/03 cease to be exempt from complying with the NVES Act from 1 July 2027. This is because the current determination only provides for this exemption to cease on the end of the day of the 31 December after an ADR mandating a CO_2 emissions test applies to that vehicle type.
    d. The determination continues to allow for a class of vehicle to have exempt vehicle status under the NVES Act until such a time that a new or varied ADR mandating a CO_2 test procedure is created for that class of vehicle.
2. The department may, in due course, consult on a proposed ADR or amendment to an ADR to mandate a CO_2 test procedure for other vehicle types with a GVM under 4.5 tonnes.
3. The amended determination will continue to expire at the end of the day on 31 December 2029. This ensures the determination aligns with the cessation of the headline limit for 2029. After the end of the introductory period (for 2030 and beyond), the headline limits for a given calendar year will be determined in an instrument made by the Minister, or if no such instrument is made, will carry over 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. To fulfil this requirement, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) opened this public consultation on 21 May 2026 by publishing a notice on the department's website including a draft of the proposed determination, and closed public consultation on 20 July 2026.

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[1] NVES Act s 3(a)(iii), s 3(a)(iv).

Five submissions were received in response to the consultation on the proposed exemption determination from automotive industry peaks, car manufacturers, climate groups, and groups representing the freight and logistics sector.

In deciding to make the determination, the Minister considered all submissions received within the consultation timeframe. These submissions were supplied to the Minister by the department and are available on the department's website.