



**American Special Vehicles t/a Ram Trucks Australia**  
**Submission on New Vehicle Efficiency Standard (Exempt Vehicles) Determination**  
**2024**

Ram Trucks Australia appreciates the opportunity to submit a response to the New Vehicle Efficiency Standard (Exempt Vehicles) 2024.

While we support the high-level objectives of the Australian Government and the New Vehicle Efficiency Standard (NVES), we feel in the interest and safety of the Australian public, some further adjustments should be considered for the New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024.

Specifically, regarding:

- medium and heavy-duty goods carrying vehicles with a 4.0 tonne towing capacity and above
- vehicles manufactured, or involved in Second-Stage manufacturing, in Australia

1. Full-size pickup trucks like the Ram 1500, Ford F150 and Chevrolet Silverado play a crucial role in the Australian economy and are indispensable for many businesses.

Given the current lack of viable alternatives, it is essential to delay the imposition of CO2 emissions penalties on these vehicles to ensure the economy and employment are not adversely affected and businesses can continue to operate effectively.

- a) These medium and heavy-duty pickups designed primarily for carrying goods, including towing, should be exempt to ensure the NVES does not have a significant adverse impact on the economy, jobs, or the safety of drivers undertaking these activities.
- b) These medium and heavy-duty vehicles have a towing capacity exceeding their GVM, and load carrying capacity exceeding their passenger/occupant capacity (as defined by ADR definition 4.5.2) and should be excluded until suitable lower emission vehicles are available that can carry out the above-mentioned tasks to the same extent safely and economically.
- c) These vehicles are vital to the Australian economy. Many businesses, especially in construction, agriculture, and mining, rely on the towing capacity of these vehicles to transport heavy equipment and materials. These vehicles trucks are versatile, and capable of handling both urban and rural terrains, making them indispensable for businesses operating in diverse environments.
- d) NVES is proposing to put these medium and heavy-duty vehicles into a calculation for CO2 that is primarily designed for a smaller class of less task focused vehicle, and with a headline limit of only 2,200kg. These limits penalise vehicles with the



highest capability to do work and do so safely. These vehicles that are designed to carry large payloads, tow high loads and perform road and off-road tasks safely, are being unfairly disadvantaged if this exemption is removed prematurely before feasible alternatives of this type of vehicle are available for the mass market and can perform duties to the same safe levels as customers, businesses, and primary producers demand today.

- e) These vehicles have been designed to tow to safe limits with purposeful power and weight distribution and have been reengineered specifically for current Australian ADR conditions. These medium and heavy-duty vehicles operate at different levels and capacities to light-duty vehicles in performing these tasks. While they may have larger displacement engines, the engines are purposeful to perform these tasks at lower stress and output to that of smaller vehicles attempting to do the same work.
- f) Without the exemption, we see a risk that consumers will hold onto their existing vehicles for a much longer period of time meaning emissions, safety and the general age of the Australian fleet will not progress as desired by this bill. The next generation of these type of vehicles is at least 5 years (for vehicles to perform at the same levels as current) away due to the longer life cycles of these task focused vehicles that serve more purpose than A-to-B passenger transport.
- g) The NVES scheme may force consumers to look at alternative vehicles to tow over 4.0 tonne that fall outside the scheme which in turn may face higher kerb weights, less fuel-efficient engines, and less stringent ADRs and safety protocols. These could be grey imports or used vehicles, and high polluting large vehicles that are primarily designed for even bigger more focused tasks. This would go against the core of the NVES scheme by creating factors where low-capacity low emissions vehicles are been asked to perform tasks they are not designed for at high tolerances creating more CO<sub>2</sub> than is created by a higher capacity capable vehicle and unsafe driving conditions for the driver and general Australian Public.
- h) There is a genuine lack of viable New Energy alternatives. Hybrid trucks are available but lack the required goods carrying and towing capacities. Emerging alternatives, like the Ford Ranger PHEV and BYD Shark 6 PHEV, show promise but still face limitations when towing the heavy loads required by users of the larger pickup trucks
- i) Many light passenger vehicles have life cycles of 3-to-5 years and can apply alternate forms of propulsion while letting people enjoy them in similar ways to their traditional vehicles. Medium and heavy-duty pickup vehicles have a much longer life cycle and have far more limited forms of alternative propulsion due to the services they are designed to carry out.
- j) If the proposed exemption was to end before 2029, we would most likely see some of Australia's most favourite and purposeful vehicles removed from market until the technology was available for them to be reintroduced or remain in market following price rises which in the current economic climate would be disastrous for primary producers, tradesmen and the general economy of Australia.



- k) It would also likely contribute to an ageing Australian car park of older vehicles with older safety technology and higher emissions and/or the replacement of these vehicles with heavier, larger alternatives that go against what NVES stands for.

While we understand the NVES scheme has been created and intends to limit excluded vehicles, we also note the opening statement of the attached “*nves-exemptions-principles-august2024*”:

*“The overarching premise of these exemptions principles is that it should enable as many vehicles as possible to be captured by the NVES, within the shortest feasible timeframe and as simply as possible, while **ensuring that manufacturers can continue to supply the types of vehicles Australians like to drive.**”*

***Ensuring that manufacturers can continue to supply the types of vehicles Australians like to drive*** is a key point we take away from this.

Ram Trucks is developing alternate propulsion vehicles, including full-electric and range extension solutions, though whether these vehicles are viable alternatives and will meet Australian Design Rules is not expected to be known until late 2025 and if so, won't be available for sale in Australia until late 2026 at the earliest and in limited volumes.

## 2. Domestic Second-Stage Manufacturing in Australia

The introduction of NVES should avoid adversely impacting the Australian economy, manufacturing, and employment.

- a) Vehicles in Australia drive on the left side of the road, necessitating the conversion of some vehicles that only exist as left-hand drive (LHD) vehicles to right-hand drive (RHD) before they can be legally used on public roads. This process involves several steps to ensure that the converted vehicle meets Australian safety and compliance standards. These include but are not limited to:
  - i. Selection of Converter: An experienced and reputable converter who understands Australian regulations around safety standards and emissions control systems.
  - ii. Disassembly: Remove necessary parts for conversion, such as steering columns, pedals, and suspension components.
  - iii. Installation: Fit new parts according to state/territory laws, ensuring they meet safety standards for registration.
  - iv. Testing and Inspection: Conduct performance and compliance tests before finalizing the conversion.



- b) Vehicles remanufactured in Australia through Second-Stage manufacturing that comply to and satisfy all local ADRs (Australian Design Rules), have a direct and positive impact on employment and the Australian economy, that gains us both domestic and international recognition.
- c) They also employ a small sub-economy of local parts and services suppliers, which is employing families, and stimulating local economies in some of the most needed suburbs outside the normal city CBD.
- d) The removal of import tariffs in the past saw the demise of traditional automotive manufacturing that has since been replaced, in part, with this Domestic Second-Stage Manufacturing of specialist vehicles.
- e) This Domestic Second-Stage Manufacturing ensures the availability of these unique, fit for purpose vehicles and has created jobs, saved families and let local companies survive to this day.
- f) Domestic Second-Stage Manufacturing has created a thriving local economy that has a subset of interrelated factors that could be foreseeably negatively impacted by this scheme, resulting in not only job losses or business closures but also the potential of skills drain to countries resulting in Australia losing the competitive advantage it has built over the last few decades;
  - i. Parts suppliers
  - ii. Engineers
  - iii. Material supply
  - iv. Low skilled worker employment
  - v. Training programs
  - vi. World class recognition

Ram Trucks Australia is not looking for vehicles to be exempt from the NVES scheme forever, as we do support its principle objectives.

However, the limitations of ADR-81/02 and the above factors give strength to the need to exclude medium and heavy-duty goods carrying vehicles with a 4.0 tonne towing capacity and above (including NB1 and NB2 category vehicles) to 2029 so that all involved in vehicles with these capacities and strengths can adjust to the NVES scheme in a timely, efficient and safe manner without impacting the Australian consumer as per the objectives set out in the original NVES bill..

Special consideration should also be given to vehicles manufactured in Australia, including Second-Stage manufacturing, in support of employment and the economy.