

Bulletin

Victorian Automobile Dealers Association



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Government adjusted NVES puts the achievable into the “ambitious but achievable”

Members of the Victorian Automobile Dealers Association (VADA) are advised that the Australian Government has today released its draft legislation of the New Vehicle Efficiency Standard (NVES).

You can view The Hon Catherine King MP and The Hon Chris Bowen’s joint statement ‘[A New Vehicle Efficiency Standard tailored for Australia](#)’ by taking the highlighted link.

MTAA update on the legislation

The CEO of the Motor Trades Association of Australia (MTAA), Matt Hobbs, will deliver VADA members an overview of the *New Vehicle Efficiency Standard Bill 2024 (Cth)* (the Bill) tomorrow at 9.15am via Teams. The link to register your attendance can be found [HERE](#).

You can view the MTAA media release [HERE](#).

It is clear that sensible and calm lobbying from the automotive retail sector, and the influence of dealers has led to workable amendments to the original NVES. It is important that VADA acknowledges the work of Matt Hobbs for his dogmatic, and pragmatic, approach in arriving at a better position for new car dealers.

The passage of the legislation

The Bill cannot be rushed through Parliament this week. The NVES is still scheduled to be active from January 2025.

The Bill will be introduced to the House of Representatives on Wednesday 27 March. This is the last day that Federal Parliament sits before the Easter Break. Parliament does not reconvene until mid-May 2024. Once the House of Representatives considers this Bill, the Senate will then debate the proposal.

Key outcomes and comments for the consideration of VADA members:

- In a major turnaround by the Government, a re-categorisation of a limited number of 4WDs from passenger car to light commercial vehicle will take place. This includes models such as the Toyota Landcruiser and Nissan Patrol.
- MTAA views that the concessions demonstrate the Federal Government’s awareness of the challenges being experienced internationally in the electrification of transport, with the US Government amending its EV targets and rate of CO2 reduction in the last week.
- There are concerns with the point at which compliance with the NVES will be expected to be met. Compliance should be measured at the point-of-sale. MTAA is working with the Federal Government to have a more informed position on this issue.

- To help accelerate the transition, the Government will provide \$60 million to boost EV charging at Australian dealerships, under the Driving the Nation fund.
- The Bill will be accompanied by a range of measures to support the automotive retail sector's transition. These may include reforms to the Franchising Code of Conduct, addressing the shortages in EV mechanics, skills and training support and financial assistance for charging infrastructure for the automotive retail sector are among the areas of focus.
- A review of how the NVES is working will be conducted in 2026.

MTAA advise that the proposed standard is still very stringent as we head towards 2029. The standard is considered to be amongst the hardest in the world. It will be very challenging for the majority of car brands in the Australian market.

In an important message, Matt Hobbs has advised that it was important to note the role of the Australian new car dealership network in this outcome. "The new car dealership network got on board with the MTAA's strategy and moved swiftly to provide the Government with compelling arguments as to why the change was required. This included dealers reaching into their pockets to bring experts from the US it identified as being needed to make Australia's first ever fuel efficiency standard workable.

MTAA will continue to work with the Federal Government on the implementation of the NVES and its operation for the five-year term of the program concluding in 2029. You can find more information by viewing the [NVES Fact sheet](#).

The review in 2026 will be critical to the industry. This will include monitoring consumer impacts and international trends and advocating for adjustments to the NVES over time accordingly.

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