

GOVERNMENT REQUEST

ENSURE FAIR & EFFECTIVE IMPLEMENTATION OF THE NVES

The passage of the New Vehicle Efficiency Standard (NVES) 2024 Bill in May 2024 was a significant milestone for the Australian automotive industry, marking significant progress towards decarbonisation. However, complying with the NVES will pose substantial challenges for many vehicle manufacturers.

Our assessment indicates that 60 per cent of the top 10 brands will need to make significant changes to their model line-ups to meet their 2025 and 2029 emission reduction targets. We therefore urge the Australian Government to implement the following recommendations.

Ongoing monitoring and review

To ensure the NVES effectively drives emissions reductions while providing access to light vehicles, continuous monitoring is essential. The US has recently relaxed its emissions targets, and the Australian scheme must adapt similarly. We request that the NVES be reviewed every two years instead of the proposed single review in 2026.

Deliver an effective administrative system

The 2024-25 Federal Budget allocated \$84.5 million for NVES implementation and improvements to the ROVER online portal. However, the ROVER system requires a complete rebuild to meet industry needs.

The MTAA requests the Australian Government implement the following actions:

- Reinststate case managers: Reintroduce case managers in the relevant department to assist with application backlogs
- Allocate funding for ROVER rebuild: Provide adequate funding to rebuild the ROVER system
- Establish a steering committee: Form a ministerial-led committee with industry participants to guide the rebuild
- Conduct an independent review: Prioritise an external review of the Road Vehicle Standards Act implementation by an independent organisation

- Create a dispute resolution mechanism: Establish an ombudsman or similar mechanism for addressing complaints related to applications

Amend NVES compliance point

Currently, NVES compliance occurs at vehicle importation, exposing dealers to financial risks. A car company could therefore push stock onto dealers to meet NVES compliance.

Dealers typically purchase the vehicles wholesale upon arrival at the port thereby placing them in a position where they must shoulder financing costs until the vehicles are sold.

We recommend changing the compliance point to when a vehicle is sold to a customer, alleviating potential financial burdens on dealers.

RECOMMENDATIONS



Increase the NVES review frequency to reflect rapid industry changes



Utilise budget funding to fix ROVER and improve user-friendliness



Change the NVES compliance point to the point of sale instead of importation