

## Media Release

### Government listens to the MTAA advice to develop a workable Fuel Efficiency Standard

**26 March 2024** - After almost six weeks and over 40 meetings with the Australian Government on the detail of the fuel efficiency standard for new light vehicles, the Motor Trades Association of Australia (MTAA) welcomes the draft New Vehicle Efficiency Standard (NVES) legislation released today.

As the peak automotive retail body representing over 15,000 Australian automotive retailers, MTAA's number one goal has always been to support the interests of its predominately small to medium business members, many of which operate in regional Australia, as the transition to electric vehicles (EVs) accelerates.

MTAA has consistently advocated for reasonable adjustments to the scheme – such as moving light commercial vehicle targets closer to the US standard. MTAA is pleased the Australian Government has noted its advice and applied the necessary adjustments to the final policy.

The concessions demonstrate the Australian 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 CO<sub>2</sub> reduction just last week.

In totality, the changes should benefit the Australian consumer – reducing the very real risk of price rises and reduced access to the vehicles they want and need – while placing the country on a CO<sub>2</sub> trajectory similar to other comparable nations.

MTAA CEO, Matt Hobbs said:

“MTAA commends the Australian Government for their approach and appreciates the seat at the table throughout these critical discussions.

“Working side-by-side with the Government has provided MTAA members with a leading voice into this policy – the result being a program that better reflects the country's love of utes and SUVs while preparing for an EV future.

“The next few years, however, are critical for the automotive industry, and we all intend to do our part in decarbonising the country's transport sector. But consumers must come first, and we believe the adjustments to the policy strikes this delicate balance.

“The proposed standard is still ambitious and challenging for the many car brands in the Australian market. It is important to note that the changes to the standard that the MTAA secured has ensured it is workable.”

“In the last six weeks the Australian Government has acknowledged the retail automotive industry's concerns, looked at the additional evidence and considered the weakening of the US Standard to come up with a revised, and what we consider, sensible plan.”

The Australian Government's announcement today is not just about the NVES. Importantly, they have foreshadowed further action to support the whole of the automotive industry with EV transition, including targeted industry-led skills support and assistance for charging in dealerships and repairer businesses.

Matt Hobbs said:

“This whole-of-industry approach is critical – consumers need more than just the cars, they need access to charging, properly trained repairers – the recyclers need to be ready as well. We look forward to further detail in relation to these policies”.

Hobbs said 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 Australian Government with compelling arguments as to why the change was required. This included reaching into their pockets to bring experts over from the US. We needed to make Australia's first ever fuel efficiency standard workable.

“The retail automotive industry will need to continue to provide clear and compelling information over the coming years to ensure that future governments get the settings right, for the industry and Australian consumers.”

MTAA will continue to work with the Australian Government on the implementation of the NVES and its operation for the five-year term of the program concluding in 2029. This includes achieving alignment between automotive manufacturers and dealers, and ensuring vehicles are counted towards the NVES at the point of registration rather than point of import.

The review of the NVES in 2026 will also be critical. MTAA will continue to monitor consumer impacts and international trends and advocate for further adjustments to the NVES over time.

ENDS

**Matt Hobbs**

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