

## DEALERS NOTE NVES RELEASE AND GOVERNMENT COMMITMENT TO ADDRESS INDUSTRY CHALLENGES

26 March 2024

The Australian Automotive Dealer Association notes the Government's announcement today unveiling the details of the New Vehicle Efficiency Standard (NVES) and while we acknowledge the progress, we remain conscious of the challenges facing our members.

"This is not the Vehicle Emissions Standard the industry has asked for, but we recognise that the Government has listened to industry and made significant changes to its original policy and is seeking to strike a balance between the needs of competing interests," said AADA CEO James Voortman.

"We welcome the revision of the LCV headline targets, the recategorisation of body on frame SUVs into the LCV category, and the commitment to provide \$60 million to boost EV charging at Australian dealerships. We are now committed to working with the Government on a range of key issues affecting Dealers including - ensuring that the compliance for this policy is at the point of sale, not the point of importation; implementing meaningful automotive franchising reform; and addressing the enormous investment task facing Dealers in this transition," he said.

"These are critically important issues for automotive retailers and if left unaddressed, the NVES could have dire consequences for Dealers - we welcome the Government's commitment to work with us on these matters," said Mr Voortman.

"Make no mistake, this is a major regulatory intervention into the automotive industry and while we understand and accept the Government's objectives, we would also urge them to work with industry to identify any unintended consequences arising from this policy," he said.

"As this policy is implemented over the next five years, we will need the Government to keep an open mind on these standards and to constantly review developments within the market and make sensible changes if required," he said.

"The first review will commence in 2026 and this will be an opportunity to assess the first two years of the NVES, but also determine whether the settings are appropriate for the incredibly challenging outer years of the policy," said Mr Voortman.

"This is a contentious issue in our industry and there is a great deal of anxiety among Dealers. We urge the Government to consider the needs of these businesses which employ more than 60,000 people, invest in cities and towns across the nation and which provide so much support and sponsorship to their communities," he said.

ENDS.

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