

**MOTOR VEHICLE STANDARDS ACT 1989**

**Vehicle Standard (Australian Design Rule 81/02 —  
Fuel Consumption Labelling for Light Vehicles) 2008**

**EXPLANATORY STATEMENT**

**Issued by the authority of the Minister for Infrastructure,  
Transport, Regional Development and Local Government**

**February 2008**

## 1. Legislative Context for ADR 81/02

*Vehicle Standard (Australian Design Rule 81/02 — Fuel Consumption Labelling for Light Vehicle) 2008* is made under the *Motor Vehicle Standards Act 1989* (the Act). The Act enables the Australian Government to establish nationally uniform standards for road vehicles when they are first supplied to the market in Australia. The Act applies to such vehicles whether they are manufactured in Australia or are imported as new or second hand vehicles.

The making of the vehicle standards necessary for the Act's effective operation is provided for in section 7 which empowers the Minister to "determine vehicle standards for road vehicles or vehicle components".

## 2. Content and Effect of ADR 81/02

ADR81/02 prescribes the requirements for the measurement of vehicle fuel consumption and carbon dioxide (CO<sub>2</sub>) emissions, and the design and application of fuel consumption labels to vehicles. ADR81/02 updates and improves the current mandatory standard (ADR81/01) which has been in place since 1 July 2003.

Consistent with the Government's policy of harmonising its vehicle standards with United Nations Economic Commission for Europe (UN ECE) Regulations, ADR81/02 adopts the latest version of the UN ECE regulation for measuring fuel consumption and CO<sub>2</sub> emission values. ADR 81/02 does not require manufacturers to change test procedures, except for a very limited number of hybrid vehicles. It simply requires them to supply additional data that they already collect, but are not currently required to report.

ADR81/02 is applicable to all M and N category vehicles with a gross vehicle mass not exceeding 3.5 tonnes. This vehicle standard applies from 1 October 2008 in relation to new model vehicles, and for all new vehicles from 1 April 2009.

The revised label required by ADR81/02 displays three fuel consumption numbers – 'combined', 'urban' and 'extra-urban' - produced from the standard UN ECE test cycle, as well as the CO<sub>2</sub> value for the combined test. The current ADR81/01 label only provides the 'combined' test results for both fuel consumption and CO<sub>2</sub> emissions. The new label will improve the quality of fuel consumption information available to the public, in particular by highlighting the higher fuel consumption rates of many vehicles in urban driving conditions.

ADR81/02 adopts as its primary standard the requirements of *United Nations Economic Commission for Europe Regulation No. 101, Revision 2 – Amendment 1, including all amendments up to and including Supplement 7*<sup>1</sup>

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<sup>1</sup> UN ECE Regulation 101 is available at <http://www.unece.org/trans/main/wp29/wp29regs.html>. Any ISO documents that may be cross referenced in the Regulation are available at <http://www.standards.com.au/catalogue/script/search.asp>

### **3. Consultation Arrangements**

#### **3.1 General Arrangements**

It has been longstanding practice to consult widely on proposed new or amended vehicle standards. For many years there has been active collaboration between the Australian and the State/Territory Governments, as well as consultation with industry and consumer groups. Much of the consultation takes place within institutional arrangements established for this purpose. The analysis and documentation prepared in a particular case, and the bodies consulted, depend on the degree of impact the new or amended standard is expected to have on industry or road users.

A Memorandum of Understanding (MOU) between the National Transport Commission (NTC) and the National Environment Protection Council (NEPC) sets out the consultative arrangements governing the development of vehicle emissions and noise standards and other vehicle/environmental issues. NEPC has since been renamed the Environment Protection and Heritage Council (EPHC). The MOU established the Land Transport Environment Committee (LTEC) (consisting of four representatives each from transport and environment agencies), to undertake an agreed work program consistent with the MOU.

Depending on the nature of the proposed changes, consultation may involve the Transport Emissions Liaison Group (TELG), Transport Agencies Chief Executives (TACE), the EPHC and the Australian Transport Council (ATC).

TELG is the main consultative group that supports LTEC. It contains representatives of:

- transport and environment agencies ;
- the manufacturing arms of the vehicle and fuels industry (including the Federal Chamber of Automotive Industries, the Truck Industry Council and the Australian Institute of Petroleum);
- road user organisations (the Australian Automobile Association and the Australian Trucking Association); and
- the National Environment Consultative Forum.

TACE consists of the chief executives of national and State/Territory departments of transport and road vehicle administrations.

ATC consists of the Commonwealth, State/Territory and New Zealand Ministers with responsibility for transport issues. EPHC consists of Commonwealth and State/Territory Ministers with responsibility for environment issues.

New standards, or significant changes that increase the stringency of existing standards, are subject to consideration by ATC Ministers. Unless disapproved by a majority of ATC Ministers, the Minister for Infrastructure, Transport, Regional Development and Local Government can then determine the new or amended standards. Proposals that are regarded as significant need to be supported by a Regulation Impact Statement meeting the requirements of the Office of Best Practice Regulation.

In November 2005, ATC agreed to streamlined arrangements for processing ADRs which removed the need for a formal ATC vote where the ADR proposals are non-controversial and harmonised with international regulations.

### **3.2 Specific Arrangements for this ADR**

The Department of Infrastructure, Transport, Regional Development and Local Government managed the public consultation and comment process for the review of ADR81/02 on behalf of LTEC.

LTEC issued a discussion paper in May 2007 outlining the rationale for a review of ADR81/01 and presenting a range of options to enhance consumers' understanding of fuel consumption. The discussion paper was placed on the LTEC website and sent to TELG members. In November 2007, LTEC issued a position paper outlining a considered set of options (including a preferred option) for stakeholder comment.

Eight submissions were received from both government and industry sectors on the discussion paper and four submissions were received on the position paper. The new ADR was strongly supported by all stakeholders, including State and Territory environment and transport agencies, and the Australian Automobile Association. The Federal Chamber of Automotive Industries representing vehicle manufacturers was less convinced of the benefits of the changes, but accepted the proposal while requesting a delay in the ADR81/02 implementation dates to minimize transition costs.

The Office of Best Practice Regulation confirmed (Reference Number 9332) that the impacts of the proposals in ADR81/02 were minor and that a Regulatory Impact Statement or quantification of compliance costs was not required.

Given the broad support for ADR81/02, and its consistency with international regulations, it was determined by the Minister for Infrastructure, Transport, Regional Development and Local Government on 20 February, using the streamlined process. Given the relative minor nature of the changes, the implementation dates for the new ADR were delayed by three months to provide industry with additional time to comply.