

MOTOR VEHICLE STANDARDS ACT 1989

**Vehicle Standard (Australian Design Rule 81/01 —
Fuel Consumption Labelling for Light Vehicles) 2005
Amendment 1**

EXPLANATORY STATEMENT

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

May 2008

1. Legislative Context for ADR 81/01

Vehicle Standard (Australian Design Rule 81/01 – Fuel Consumption Labelling for Light Vehicles) 2005 Amendment 1 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 81/01 Amendment 1

ADR81/01 prescribes the requirements for the measurement of vehicle fuel consumption and carbon dioxide (CO₂) emissions, and the design and application of fuel consumption labels to vehicles.

Schedule 1 amends the applicability clauses of ADR81/01 to state that vehicles complying with the new updated fuel consumption labelling standard (ADR81/02) need not comply with ADR81/01. As both instruments will be in force during a transition period, the amendment makes it clear that only one or the other standard applies and facilitates early compliance with ADR81/02. The amendment also ensures that ADR81/01 ceases to have effect once ADR81/02 is fully implemented.

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

This is a minor administrative change flowing from the introduction of a later standard (ADR81/02). It does not change the intent of the vehicle standard and no consultation was required.