

From: [REDACTED]
To: [Clean Cars](#)
Cc: [REDACTED]
Subject: Submission on Clean Car Discussion Document
Date: Wednesday, 10 July 2019 12:54:46 PM

To whom it may concern,
I wish to submit my feedback on this clean car discussion document.

As it stands today, this is a short term measure that does not address fundamental long term issues.

Electric vehicles are great for our country in many ways:

- They ensure a better balance of payments for our country, as we no longer import oil.
- They help us use our renewable resources in a more effective manner.
- They reduce emissions, while being more pleasurable to drive than many petrol cars.
- They do not require oil changes, etc, which means we no longer have to dispose of the used oil.
- They use less brakes, meaning less brake dust and tyre wear.

All of these benefits are wonderful. And for my part, we got a runabout Nissan Leaf this year. I immediately sold all of our petrol cars, then proceeded to help my mother sell her cars and replace her cars with a Leaf as well. I'm still happily driving the Leaf!

As it stands, the current taxation set up gives the country and us all the great benefits listed above, while being more affordable than any petrol car. This clean car feebate scheme seeks to remove that, and make it more cost efficient to drive a petrol based Suzuki Swift(taking into account capital cost and running costs). How does this benefit our country? How does this benefit our environment, or our economy? This is a large step back for us.

On the lower end of the market, a '12 bar leaf'(with at least 85% of the battery health remaining) currently costs around \$15,000. A Suzuki Swift costs \$5000 by reference. If we assume a very conservative 5% opportunity cost for capital, and add in the feebate discount of \$2600 on the Leaf and \$800 on the Suzuki Swift, along with a 14000 yearly kilometer allowance, this is the rough cost per year for each vehicle:

Suzuki Swift: \$3,090.00 per year(\$500/10000km engine maintenance, \$210 p.a. opportunity cost due to \$4,200 capital cost, 12c per kilometer fuel cost, \$500 p.a. depreciation)

Nissan Leaf: \$3,173.00 per year (\$0/10000km maintenance, \$605 p.a. opportunity cost due to \$12,400 capital cost, 7.2c/km RUC cost, 4c/km electricity cost, a very conservative \$1,000 p.a. depreciation, as it's likely to now be higher due to the new higher running costs)

I ask a simple question: How is this going to incentivize people to reduce their carbon footprint? It does not. It incentivizes a whole of fleet change, to the most efficient use of a polluting short term technology, while the real improvements to our footprint can only be captured by a earnest, whole hearted attempt to shift the vehicle base to electric. Why bother buying a \$12,400 vehicle when you can just buy a \$4,200 vehicle?

What would fix the above? Move all vehicles to a RUC system to manage weight damage to the road and ACC levies, with an added four tier system to add costs based on carbon emissions. BEVs on the lowest tier, enjoying zero additional cost, PHEVs and hybrids on the next tier, enjoying a minimal extra cost, fuel efficient family cars on the third tier, enjoying a reasonable charge, and finally, all other cars on the most expensive tier. This critically is followed by removing most of the taxation off of fuel as it would be covered in the RUC.

Additionally, removing FBT on private use of company electric vehicles would encourage a massive shift to electric vehicles. This was suggested by Gareth Hughes a number of times but never came to fruition.

It's also worth noting that efficient petrol cars pay the equivalent of 2.5c RUC.

Thank you, and I am available for any further comment,
Duncan Erasmus

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Duncan Erasmus



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