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## Page 1: Welcome to MoT's Survey

**Q1** Do you think a Clean Car Standard (fuel efficiency standard for imported vehicles) is appropriate for New Zealand? (page 10)

**Yes,**

**Why?:**

The Clean Car Standard is essential for New Zealand to ensure that it can secure efficient and electric vehicles from the global market. If only one change were to be made this should be it. There is currently a global supply shortage of EVs, and the global car companies will prioritise supply to markets where they are required by regulation or legislation to reduce emissions. New Zealand already receives new car model variants which are less efficient than vehicles manufactured for countries required to meet emissions standards. Global manufacturers do tailor model availability and production on this basis, in some instances having different factories for the model variants which otherwise outwardly appear to be the same make and model. Larger vehicles tend to be more profitable for new and used importers to sell. These also tend to be higher fuel consumption vehicles, and consequently higher CO2 emissions. The Standard will result in them needing to offer, promote and price vehicles such that they sell to meet the Standard. The NZ motor industry is currently motivated to sell larger vehicles and the Standard will reduce their profitability. This private profitability comes at the expense of public good and the environment. The NZ motor industry is therefore incentivised to reject this policy option. However, the Standard is essential to bring about the change that is needed for NZ to have efficient at lower CO2 vehicles in line with other countries. The Standard is the most market based policy possible to incentivise this change. It does not restrict vehicle choice in any way, but rather encourages market choice by enabling NZ to secure efficient vehicle makes and models that we may not otherwise be able to secure from the international market.

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## Clean Car Consultation

**Q2** Do you think an average emissions target of 105 grams CO2 per kilometre by 2025 is an appropriate target for New Zealand? (pages 11-12)

**Yes,**

Why?:

New Zealand is a technology taker. The vehicle makes and models which can achieve this target are already available globally. The rate of change is fast from NZ's starting point, but necessary given the urgency of a response to global climate change. NZ is already better prepared from an EV infrastructure and education basis than many other countries with a fuel efficiency standard. With EVs having a 0 gCO2/km rating, and NZ being EV ready, the motor industry is enabled to be able to achieve the target by 2025 through significantly increased sales of EVs.

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**Q3** Do you think the Clean Car Standard would have an effect on vehicle supply and prices? (pages 12-14)

**Yes,**

Why?:

Following on from the answer to question 1, the Standard will assist the motor industry in being able to secure supplies of EVs and other low emissions vehicles from the global market. It will also incentivise them to price these vehicles such that they sell to the public in sufficient quantities to meet the Standard, provided that the penalty for not meeting the Standard is sufficiently strong.

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**Q4** Do you consider the overall process outlined for the Clean Car Standard is workable? (Current process: key vehicle data entered into the Motor Vehicle Register > Government issues targets > suppliers calculate their fleet targets and actuals > NZTA validation after year-end > any penalties for not meeting targets are applied) (pages 15-16)

**Yes,**

Why?:

The motor vehicle register has already been changed in the last few years so that NZTA can more accurately capture EVs and other types of low emission vehicles and data is already captured for used imports. Otherwise the process is relatively straightforward and will be familiar to the parent companies of NZ new vehicle distributors who can assist them. There will be some challenges for the used car industry and resourcing for education and information for this industry sector will be needed. The only question is whether NZTA is sufficiently well resourced and motivated to take on this task, particularly given their recent challenges.

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**Q5** The Clean Car Standard will cover new vehicles and used vehicles being brought into New Zealand. Do you think people who import three vehicles or less should be exempted? If not, why? (page 16)

**Yes,**

Why?:

Anyone who imports three vehicles or less per year is not a motor industry player and is already exempted from other motor industry regulations. There is a risk that the new policy will further incentivise some market participants to set up business models to avoid regulation, but this is not likely to materially affect the outcomes of the policy overall.

## Clean Car Consultation

**Q6** Do you support phasing-in the 105 grams CO<sub>2</sub> per kilometre emissions target by (pages 16-17):

**using the increasing percentage of fleet approach?**

Please explain why you prefer the approach you have chosen:

Model availability for countries is planned several years in advance of the vehicles coming from parent companies to NZ distributors. A single target signalled in advance will assist the NZ industry to work with their global parent companies to achieve the target as fast as they can, without the stigma of having failed to meet a lower target set earlier which had not been planned for.

**Q7** Do you support the 4 year timeframe for the phase in period? (pages 16-17)

**Yes,**  
Why?:

The four year timeframe suits the new vehicle model planning times for the global motor industry.

**Q8** Do you support adopting a vehicle weight-adjusted Clean Car Standard? (pages 17-19)

**No,**  
Why:

This is not a strong no, but lightweighting vehicles is an important part of fuel efficiency gains, and a weight-adjusted standard works against this. While many New Zealanders need heavier vehicles to perform their transport tasks, such as utes, many others have responded to motor industry promotion of larger, more profitable vehicles as a lifestyle choice to a segment of the market for which the vehicles are unsuited to their transport tasks. A weight-adjusted standard will encourage further promotion of large vehicles to a segment of the market for which they are unsuited.

**Q9** Do you support a penalty of \$100 for each gram CO<sub>2</sub> per kilometre that a supplier of new vehicles exceeds its fleet target by? (page 20)

**Yes,**  
Why:

The incentive needs to be sufficiently strong to drive behaviour change in the motor industry. Any income from penalties should be recycled into promoting EVs and vehicle fuel efficiency by organisations such as EECA.

**Q10** Do you support a penalty of \$50 for each gram CO<sub>2</sub> per kilometre that a supplier of used imported vehicles exceeds its fleet target by? (page 20)

**Yes,**  
Why?:

The used vehicle industry has less profit on larger vehicles, and this penalty rate should be sufficient to drive behaviour change in the industry. Any penalties should be recycled into educating and informing the used car industry about the regulation and their obligations, and about EVs.

## Clean Car Consultation

**Q11** Do you support the banking mechanism (the ability to use emission credit in future years) to provide flexibility for vehicle suppliers? (pages 20-22)

**Yes,**

Why?:

This encourages early movement achieving the target ahead of time.

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**Q12** Do you agree that the new vehicle sector should have the added flexibility of borrowing (any under-achievement of an annual target can be made up by over-achieving the following year)? (pages 20-22)

**Yes,**

Why?:

There may be delays in receiving a new model in NZ which was planned to meet the target. However it is the underachievement should only be for one year before it is made up. Multiple years of underachievement should be penalised.

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**Q13** Do you support an arrangement for suppliers to pool their vehicles together to comply as a group? (pages 20-22)

**Yes,**

Why?:

This provides additional benefits for companies bringing in EVs and very efficient vehicles, which helps make bringing them here more profitable for the motor industry and so incentives increased availability and uptake.

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**Q14** Do you agree that new and used vehicle suppliers should not be able to pool their vehicles and comply as a group? If you think they should be able to comply as a group, how should the emissions of new vehicles and used vehicles be measured and balanced? (pages 20-22)

**Yes,**

Why?:

This is not a strong yes, but administratively it will be simpler.

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**Q15** Do you support having a fine not exceeding \$15,000 for an individual for misreporting data for the Clean Car Standard? (pages 22-23)

**No,**

Why?:

An individual is not a motor dealer (which is anyone selling more than four cars a year) and so they do not have to meet the Standard under the current proposal. As they do not have to meet the standard, they are not incentivised to misreport. Consequently any misreporting is likely to be an error.

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**Q16** Do you support having a fine not exceeding \$75,000 for a person or organisation other than an individual (e.g. a company) for misreporting data for the Clean Car Standard? (pages 22-23)

**Yes,**

Why?:

Any person or organisation importing four or more cars a year has to meet the Standard. They may be incentivised to misreport. A penalty is needed to disincentivise misreporting. Any penalty should be used to educate and promote EVs and efficient vehicles.

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## Clean Car Consultation

**Q17** Do you support the sanction of disqualification from being a registered motor vehicle dealer if a supplier deliberately attempts to evade meeting annual targets? (page 23)

**Yes,**

Why?:

Climate change is at least as important as ensuring vehicle safety and other industry compliance for which disqualification occurs for deliberate evasion.

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**Q18** Do you support amending the Fuel Consumption Information Rule so that only vehicles tested to the WLTP, NEDC, the JC08, and the American Federal Test Procedure meet requirements for entry certification? (pages 23-24)

**Yes,**

Why?:

Any vehicles which do not have data from one of these tests are old technology, and likely to be inefficient and low safety.

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**Q19** Do you agree with the proposed process for setting future emission targets? (Government sets most immediate 5-year target, and proposes targets for two future periods. Revision of set target only for critical change) (pages 24-25)

**No,**

If not, what would you change and why?:

The policy should be regularly reviewed and adjusted to take account of rapidly changing vehicle technology, how the motor industry is responding to the policy and of any changes in the urgency of response to climate change necessary.

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**Q20** Do you think the Clean Car Discount is appropriate for New Zealand? (the Clean Car discount offers discounts to buyers of low-emission vehicles and imposes fees on high-emission vehicles) (pages 26-27)

**Yes,**

Why?:

The Discount incentivises behaviour change in vehicle buyers and the Standard incentivises behaviour change in vehicle sellers. The two are complementary and together will more rapidly result in improvement in the vehicle fleet.

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**Q21** Do you think the emissions benchmark of 105 grams CO2 per kilometre by 2025 is an appropriate one to have for the Clean Car Discount? (pages 28-29)

**Yes,**

Why?:

It is consistent with the Standard, and the two policies work in tandem.

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**Q22** Do you think an initial emissions benchmark of 150 grams CO2 per kilometre is suitable for the first year of the Clean Car Discount? (pages 28-29)

**Yes,**

Why?:

You have to start somewhere and need be prepared to adjust the benchmarks as the impact of the policy is played out in reality.

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**Q23** Do you think the level of the fees and discounts in the example Clean Car Discount schedules would increase demand for low-emission vehicles? (page 29 and Appendix 4)

**Yes,**

If not what changes would you make?:

Yes, these appear to be sufficient levels to drive behaviour change in the relevant market segments of car buyers. However the levels should be regularly reviewed and adjusted if necessary.

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**Q24** In the example schedules the schedules change every year to lower the emissions benchmark and to keep the scheme self-financing. Do you think annual change is practical or should there be less change? (page 29 and Appendix 4)

**It's practical as ,**  
**is**

Why?:

The policy is new and how the NZ public will respond is unknown. The policy aims to be fiscally neutral. Vehicle technology is changing fast and uptake rates may be different from those modelled. Once introduced the policy should be adjusted to achieve its aims. Other countries regularly and successfully adjust their feebate levels.

**Q25** Do you think new vehicles should include near-new vehicles less than 3 years old? (page 29)

**No,**

Why?:

Technology is changing very fast, and we would miss out on the efficiency and low CO2 benefits of the newest vehicles by providing the same incentive for a 3 year old vehicle.

**Q26** Do you think a zero band (vehicles receive no discount and pay no fee) is appropriate? (page 30 and Appendix 4)

**Yes,**

Why?:

It would reduce administration, complexity and send a signal to car buyers that a car in the middle band is not efficient enough to receive an incentive.

**Q27** Do you think the size of the zero band in the example feebate schedules is appropriate? (page 30 and Appendix 4)

**Yes,**

Why?:

Its a good place to start the policy and the size of the zero band should be regularly reviewed and if necessary adjusted as the policy plays out in reality.

**Q28** Do you support the proposal to apply the fees and discounts directly at the point of vehicle purchase? (pages 30-31)

**Yes,**

Why?:

People respond more to immediate incentives and disincentives, than future ones. Information at the time of purchase is consequently the most powerful influencer.

**Q29** Do you support the penalties to ensure that fees and discounts are displayed on each vehicle and are correctly applied by vehicle suppliers? (the proposed penalties are, for an individual, a fine not exceeding \$15,000, and for a person or organisation other than an individual, a fine not exceeding \$75,000) (pages 30-31)

**Yes,**

Why?:

Individual and registered motor dealers may be incentivised to misreport, and the penalty discourages this.