

## Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport.

Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none"> <li>(i) the Government of any other country or any agency of such a Government; or</li> <li>(ii) any international organisation</li> </ul>
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)



3 December 2021

OC210966

Hon Michael Wood  
Minister of Transport

Action required by:  
Wednesday, 8 December 2021

## CLEAN VEHICLE BILL TARGETS AND OTHER MATTERS

### Purpose

Attaches a draft Cabinet paper seeking to amend carbon dioxide (CO<sub>2</sub>) targets for 2026 and 2027 in the Land Transport (Clean Vehicles) Amendment Bill (the Bill) and agree changes to vehicle exclusions to be set out in associated regulations made in 2022.

### Key points

1. In order to support the Bill's progress through the Parliament, we ask that you take a Cabinet paper to the Cabinet Economic Development Committee (DEV) on 15 December 2021. The paper seeks agreement to change CO<sub>2</sub> targets and vehicle exclusions.

*The Cabinet paper seeks Cabinet agreement to relax the 2026 Clean Vehicle Standard CO<sub>2</sub> targets and defer the 2027 target*

2. The attached draft paper reflects a recent decision by you – following a discussion with officials and written advice both on 19 November [OC210934 refers] – to propose relaxing the 2026 Clean Vehicle Standard CO<sub>2</sub> targets and to defer setting the 2027 target. This follows submissions made on the Clean Vehicles Bill. Changing targets in the Bill will rely on a Supplementary Order Paper being introduced at the Committee of the whole House stage of the Bill.

### Proposed changes to CO<sub>2</sub> targets for 2026 and 2027

Year	Type A Vehicle (Cars and SUVs)		Type B Vehicles (Vans and utes)	
	Target Proposed by Bill (g CO <sub>2</sub> /km 3p WLTP)	Change proposed (g CO <sub>2</sub> /km 3p WLTP)	Target Proposed by Bill (g CO <sub>2</sub> /km 3p WLTP)	Change proposed (g CO <sub>2</sub> /km 3p WLTP)
2023	145	No change	218.3	No change
2024	133.9	No change	201.9	No change
2025	112.6	No change	155.0	No change
2026	84.5	90.0	116.3	139.0
2027	63.3	Set by regulation later	87.2	Set by regulation later

*The Cabinet paper also recommends vehicle exclusions based on submissions on the Bill for rally cars, disability vehicles and modified vehicles*

3. According to a submission made by the Low Volume Vehicle Technical Association (LVVTA) there are between 10 and 15 motor sport vehicles imported into New Zealand annually. These vehicles are captured by the Discount and Standard, as the vehicles are required to be road-registered to travel on sections of public roads that are legally closed for rally racing. These motor sport vehicles are already exempted from requirements in a number of land transport rules. We recommend they also be excluded from both the Standard and the Discount. This exclusion would have a very minor effect on emissions.
4. Submitters on the Bill representing the disability community and importers of disability vehicles noted it is difficult to modify electric vans to support wheelchairs given the underfloor position of batteries. They considered it would be unfair to penalise the sector if there were no viable alternatives. You asked that officials provide advice on this matter.
5. We recommend that disability vehicles be excluded from the charges under the Discount but that they remain eligible for rebates. We recommend that such vehicles remain in the Standard, because importers can offset high emitting vehicles with low emitting vehicles and estimates are that only around 500 of these vehicles are modified for disability use annually. It is usually not known at point of import if a vehicle will later be modified for disability use. Disability vehicles would be defined as vehicles that have been issued with certificates to show that they conform to a modification defined as “LV3A” or “LV3B” through the Low Volume Vehicle system. To avoid charges under the Discount, the modification would need to occur prior to the vehicle being registered for the first time.
6. The current wording of the Cabinet minute<sup>1</sup> that “scratch-built vehicles and modified vehicles” be excluded from the Standard could be interpreted to include vehicles subject to routine modifications, such as those converted into taxis, or the addition of optional extras such as bull-bars on utes. That could create an opportunity for vehicles to escape the policy that is unintended and unfair. This issue was raised in submissions to the Bill, though its scope relates to regulations that will be made next year. We recommend that the exclusion be narrowed to scratch-built vehicles only.
7. The VIA, which represents used vehicle importers, proposed that importers should be able to import petrol cars and convert these to be EVs. They asked that once they were converted, these vehicles should be able to receive the full benefit of selling a used-import electric vehicle under the Standard and Discount. Given the potential for EV supply shortages, we recommend that this practice be allowed.

s 9(2)(f)(iv)

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<sup>1</sup> CAB-21-MIN-0004.

s 9(2)(f)(iv)



**Recommendations**

We recommend you:

- 1 **review** the attached Cabinet paper and circulate for Ministerial consultation
- 2 **agree** that motor sport vehicles, as defined in the Land Transport Rule: Frontal Impact 2001, are excluded from the Clean Vehicle Standard and the Clean Vehicle Discount Yes / No
- 3 **agree** disability vehicles, as defined as being issued with a "LV3A" or "LV3B" certificate through the Low Volume Vehicle process, be eligible for rebates but excluded from paying charges under the Clean Vehicle Discount Scheme, and remain included in the Clean Vehicle Standard Yes / No
- 4 **agree** that an exclusion for 'scratch-built' and 'modified' vehicles from the Clean Car Standard be changed to an exclusion for 'scratch-built' vehicles only. Yes / No
- 5 **agree** that any vehicle that is imported and converted to zero emissions before it is entry certified can be treated as though it was manufactured as a zero emission vehicle for the purposes of the Clean Vehicle Standard and Clean Vehicle Discount. Yes / No

6 s 9(2)(f)(iv)



Ewan Delany  
Manager, Environment, Emissions, and  
Adaptation

3 / 12 / 21

Hon Michael Wood  
Minister of Transport

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**Minister's office to complete:**

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

**Comments**

**Contacts**

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