

Climate Implications of Policy Assessment: Disclosure Sheet

This disclosure sheet provides the responsible department's best estimate of the greenhouse gas emissions impacts for New Zealand that would arise from the implementation of the policy proposal or option described below. It has been prepared to help inform Cabinet decisions about this policy. It is broken down by periods that align with New Zealand's future emissions budgets.

Section 1: General information

General information	
Name/title of policy proposal or policy option:	Discontinuing the Clean Car Discount
Agency responsible for the Cabinet paper:	Ministry of Transport/Te Manatū Waka
Date finalised:	24 November 2023
Short description of the policy proposal:	Discontinuing the Clean Car Discount from the 31 Dec 2023

Section 2: Greenhouse gas emission impacts

Sector & source	Changes in greenhouse gas emissions in kilotonnes of carbon dioxide equivalent (AR5 Kt CO ₂ -e)						Cumulative impact
	2020–25	2026–30	2031–35	2036–40	2041–45	2046–50	
Clean Car Discount is discontinued	50 to 81	317 to 588	311 to 627	219 to 450	138 to 287	70 to 147	1104 to 2181

Section 3: Additional information

Additional information

The Clean Car Discount is an initiative that reduces emissions; however because this initiative is being discontinued the figures represent an increase to GHG emissions.

The modelling has assumed that the Cabinet agreed settings will take effect in 31 December 2023.

High to low ranges of impact have been provided to give a sense of the level of uncertainty of these changes.

Emissions impact estimates exclude electricity impacts as these are insignificant.

Section 4: Quality assurance

Quality assurance

The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements apply to this proposal. The discontinuation of the clean car discount is expected to result in a total cumulative increase in emissions of approximately 1,100 to 2,200 Kt CO₂-e by 2050. Eliminating rebates for low emissions vehicles and fees for high emission vehicles is expected to elevate emissions due to a potential decrease in the adoption of low emissions, resulting in higher uptake of higher emissions vehicles. The CIPA team has reviewed the results and considers them reasonable for indicating the impact of this change.