

Chair

Cabinet Economic Development Committee

VEHICLE EXHAUST EMISSIONS RULE [2007]

Proposal

1. The purpose of this paper is to notify the Committee of the intention of the Minister for Transport Safety, to make Land Transport Rule: Vehicle Exhaust Emissions 2007 (the 2007 Rule).

Executive summary

2. Vehicle exhaust emissions are a contributing factor to poor air quality in New Zealand, particularly in urban areas. As part of a package of measures being developed to improve air quality, Cabinet agreed in January 2007 to a series of measures to raise the emission standards of vehicles entering the New Zealand fleet. [CAB Min (07) 2/2 refers]. These measures were included in the proposed Vehicle Exhaust Emissions Rule 2007, which was released for consultation by Land Transport NZ in May 2007.
3. The aim of the proposed Rule was to improve the vehicle fleet by:
 - Requiring that used vehicles entering the fleet be built to specific minimum emission standards;
 - Requiring that used vehicles entering the fleet pass an approved emission test to demonstrate that their emission control equipment is functioning as intended;
 - Requiring new vehicles entering the fleet to comply with updated emission standards;
 - Requiring that once vehicles enter the fleet, their emissions control equipment is not modified in such a way that would prevent the vehicle from passing an emissions test and that such modifications are checked as part of the vehicle's Warrant of Fitness (WoF) or Certificate of Fitness (CoF) inspection.
4. Proposals affecting used vehicles received the most attention from submitters and in the media. Submissions from those involved in the importation of used vehicles were strongly opposed to the Rule as proposed and wanted timing of specific standards delayed. Most of these submissions cited research from 2006 saying the Rule would have little effect on levels of harmful emissions over ten years. Submissions from the new vehicle industry and those interested in air quality generally supported the Rule as drafted. The Ministry of Transport (the Ministry) also commissioned further environmental and economic modelling and considered this along with the submissions in revising the proposed Rule following consultation.

Used petrol vehicle standards

5. Submissions identified that Japan did not require all new vehicles to comply with the Japan 00/02 emission standard until September 2003. As a result many popular models of cars did not comply with the Japan 00/02 standard until their 2002 or 2003 models. In order to comply with the proposed minimum standard, used vehicles would need to be only five or six years old and this would mean a significant increase in price over current eight or nine year old models.
6. Modelling undertaken for the Ministry showed that if the volume of used petrol vehicles entering the fleet decreased significantly, the air quality would deteriorate in the short term (i.e. less than ten years) although not in the longer term as potential buyers would retain their older, higher polluting vehicles a few years longer than might otherwise be the case. Modelling showed it was better to maintain fleet turnover to replace these older vehicles.
7. The proposed 2007 Rule delays the introduction of the Japan 00/02 standard by one year until 2009 by requiring the Japan 98 standard as the minimum standard from 1 January 2008¹. This is expected to enable sufficient volumes of vehicles to continue to enter the fleet to ensure that fleet turnover remains at an acceptable level. It is also proposed to delay the introduction of the Japan 05 standard for two years until 2012, for the same reasons. Reference to the Japan 09 standard has been removed as the standard has not been adopted in Japan and so cannot be cited in New Zealand law.

Used diesel vehicle standards

8. Until the Japan 02/04 standard, Japanese exhaust emission standards have allowed relatively high levels of harmful particulate (PM₁₀) emissions. Not importing these vehicles is expected to lead to improved air quality. Because of the disproportionate impact of older diesel vehicles on air quality no change is recommended to the minimum standards previously agreed by Cabinet. Because a large number of used diesel powered vehicles are purchased for commercial, rather than private uses, this decision may have an economic impact. However, the actual number of vehicles affected is around one tenth of that for petrol vehicles².
9. This table summarises the proposed changes to the emission standards for used vehicles:

Japanese petrol vehicle standard	Proposed revised year to adopt as minimum standard in New Zealand	Number of years lag from implementation in Japan	Date previously agreed by Cabinet for consultation in proposed Rule
Japan 98	2008	10	
Japan 00/02	2009	7-9	2008
Japan 05	2012	7	2010

¹ The Japan 98 standard was implemented in Sept 1998. Most complying vehicles were made in 1999 and 2000.

² 16,000 used diesel vehicles were imported vs 113,000 used petrol vehicles in 2006. In contrast, 22,600 new diesel vehicles were imported.

Japanese diesel vehicle standards	Proposed revised year to adopt as minimum standard in New Zealand	Number of years lag from implementation in Japan	Date previously agreed by Cabinet for consultation in proposed Rule
Japan 02/04	2008	4-6	2008
Japan 05	2010	5	2010

New vehicle standards

10. Submissions from the new vehicle industry were generally supportive of the proposed Rule. However, two changes are proposed for new vehicle standards in light of submissions. The consultation draft would have required some new vehicles to meet standards earlier, or only a few months after their parent jurisdiction. Cabinet had agreed in 2007 [CAB Min (07) 2/2 refers] that new vehicle emissions standards should lag their parent jurisdictions by two years and the proposed Rule has been amended to correct this so that so called existing-model vehicles³ also lag their parent jurisdiction by two years. The proposed 2007 Rule also now requires that new vehicles comply with the Australian emission standards on the same day as Australia except, in the first year of the Rule, where diesel-powered heavy vehicles will continue to comply with the standards specified in the existing 2006 Rule and the consultation draft of the proposed Rule, due to long lead times for orders in this sector.

Emission testing at entry

11. The proposed Rule requires that all used vehicles entering the fleet pass an emission test at time of entry and prohibits vehicles imported after the Rule comes into effect from being modified in such a way that would mean they would fail such a test. These provisions were generally supported in submissions and amendments following consultation are largely for clarification.

Consultation – minor matters

12. Minor changes to the proposed Rule which were generally supported include the extension of emission standards to include vehicles powered solely by liquefied petroleum gas (LPG) and compressed natural gas (CNG), a requirement that vehicles be fitted with the onboard diagnostic (OBD) technology where this is required by the standard and an exemption from the emission standards for Defence Force vehicles.

Other matters

13. Any policies that have the effect of restricting the volume of imports or may cause the price of vehicles to rise by requiring newer vehicles, will have economic and social costs. The effects may be significant for some individuals and companies, especially those involved directly in the used vehicle trade and those who would have purchased some specialised used imports. By modifying the implementation dates of certain elements, the proposed 2007 Rule seeks to balance short-term economic costs against long-term gains in air quality.

³ Those in production at the time a standard is introduced

14. The Rule is expected to make only minor, if any, contributions to implementing the New Zealand Energy Strategy or the New Zealand Energy Efficiency and Conservation Strategy because the level of harmful emissions is not related to a vehicle's greenhouse gas emissions. There may be safety improvements as newer vehicles are generally safer. Reducing the volume of used vehicles entering the fleet is expected to lead to a smaller vehicle fleet over time.

Timing of implementation

15. The proposed Rule is intended to come into effect on 1 January 2008, or 28 days after the Rule is signed whichever is the latter. Because of the relatively short time between the signing and its coming into effect, it is proposed that the Rule allow a minimum of a one-month delay until 1 February 2008 for the new entry-into-service requirements. This is to allow for used vehicles that may be in-transit when the Rule came into effect. The Rule will also apply at the time a used vehicle is subject to border inspection, which can occur in Japan before shipment to New Zealand.
16. To allow Land Transport NZ to finalise the legal requirements for emissions testing and for industry to purchase equipment and to train staff in its use, the proposed Rule will require emissions testing on used vehicles to commence from 1 May 2008.

Background

The need for the proposed Rule

17. Vehicle exhaust emissions are a contributing factor to poor air quality in New Zealand, particularly in urban areas and diesel-powered heavy vehicles generally cause the most concern for air quality. Internationally, governments are raising emission standards for vehicles entering their fleets and emissions testing is evident in most jurisdictions. It has resulted in little long-term social or economic impact.
18. In comparison, New Zealand did not require emissions controls until 2004. Moreover, compounding this problem, used vehicles entering the fleet have been getting older every year since 2000, delaying the entry of vehicles built to newer standards.
19. Further background on the need for the proposed Rule is detailed in Appendix 1.

Vehicle emissions and other policy measures

20. In some areas of New Zealand, air quality improvements will be needed to meet the National Environmental Standard for Air Quality (NES AQ). In the Auckland Region, where emissions from transport are significant, failure to meet the NES AQ for PM₁₀ as a result of high levels of vehicle emissions could result in resource consents for industry being declined, with potential economic costs. In their submission on the proposed Rule the Auckland Regional Council identified setting of emissions standards for imported used vehicles as an action delivering critical emissions reductions by 2013.
21. Reducing harmful vehicle emissions contributes to a number of wider government objectives, including a requirement for all regions to meet National Environmental Standards for Air Quality set under the Resource Management Act (1991); and the New

Zealand Transport Strategy's goals of protecting and promoting public health and ensuring environmental sustainability.

22. Introducing vehicles with lower levels of harmful emissions is intended to lead to improvements in air-quality over time. In general, newer vehicles are safer and may be more fuel efficient than comparable earlier models. The Rule is expected to make only minor, if any, contributions to the implementation of the New Zealand Energy Strategy and the New Zealand Energy Efficiency and Conservation Strategies, as reducing harmful emissions does not automatically lead to reductions in greenhouse gas emissions. The technology used to reduce harmful emissions is primarily intended to clean exhaust gases in the exhaust system after the fuel is burned (and hence the CO₂ gases are released). By increasing the amount of treatment of the exhaust gases through larger exhaust gas catalysts for example, a large vehicle with high fuel consumption may have less harmful emissions than a smaller, more fuel efficient vehicle.^{4 5}
23. In January 2007, Cabinet made a series of decisions on the proposed content of a revision to Land Transport Rule: Vehicle Exhaust Emissions 2006 (the "current Rule"). These aimed to improve the emissions standards of both new and used vehicles entering New Zealand and requires that used vehicles pass an emissions test before entering the fleet [CAB Min (07) 2/2 refers]. The proposed Rule also reflected an earlier Cabinet decision to include a requirement not to adversely modify or remove emissions control equipment after a vehicle has entered the New Zealand fleet [POL MIN (05) 16/20 refers].
24. Other changes proposed were relatively minor to clarify that vehicles be required to be equipped with the technology known as On Board Diagnostics (OBD) should be fitted where this was required by the standard, to include emission standards for vehicles powered solely by CNG and LPG and that the Defence Force be able to be exempted from certain specific requirements of the emissions standards.
25. The proposed Rule was released for public consultation in what is known as "Yellow Draft" form by Land Transport NZ on 25 May 2007. Eighty-four submissions were received by the final close-off date and their contents are reflected in the paper.
26. This paper reports back on the outcome of that consultation, it discusses the changes made to the proposed Rule based on the consultation and notes that as the Minister for Transport Safety I propose to make the Land Transport Rule: Vehicle Exhaust Emissions 2007.

⁴ It is possible for a sports car or large 4WD with a seven litre engine consuming 17ℓ/100km of fuel to have lower levels of harmful emissions than a fuel efficient small car with a 1200 cc engine consuming 5ℓ/100km of fuel. This is achieved essentially by fitting a larger exhaust catalyst to the larger car.

⁵ A recent European Union study of potential future emission limits being discussed for adoption after the planned Euro 5 standard, noted that for diesel vehicles most emission reduction technologies will lead to increased fuel consumption, at least in part from increased weight.

Other government measures to improve air quality from transport

27. There are existing policies that reduce emissions already. In addition, further investigations are being undertaken by the Ministry to complement this policy in 2008 and 2009, and these are detailed in Appendix 2.

New assessment of the effect of restrictions on used vehicles entering the fleet

28. The Ministry's 2006 Cabinet Paper contained advice prepared by the consulting firm Covec on the likely economic and environmental and social impacts of the proposed policy. In light of new information received during consultation, the Ministry engaged Covec to update its earlier study. A précis of Covec's findings is detailed in Appendix 3 and a copy of the full 2007 report titled: *Update and Extension of Vehicle Emissions Modelling*⁶ is also attached.

Changes to the proposed Rule following consultation

Changes to the proposed Rule: Used-vehicle standards – petrol vehicles

29. Of the policies that would be introduced by the proposed 2007 Rule, the requirement that used vehicles be built to a minimum emissions standard attracted the most comments.
30. The consultation draft of the proposed 2007 Rule required that the minimum emissions standards for used petrol vehicles from 1 January 2008 be the Japan 00/02⁷ standard. The Rule then proposed that the Japan 05⁹ standard be implemented from 2010 (a five-year lag) and the draft Japan 09 standard be implemented from 2013, (a four-year lag)¹⁰.
31. Submissions identified that because of the way standards were implemented in Japan, the impacts of the proposed minimum exhaust emissions standards would have an unintentionally large effect on the import of used vehicles. This was because Japan allowed relatively large numbers of so-called existing-model vehicles¹¹ to continue to be built to the earlier 1998 standard through until September 2003. Submissions identified that none of the top selling used imports¹² were produced in versions compliant with the Japan 00/02 standard until 2003. Thus, in 2008 importers would in

⁶ <http://www.transport.govt.nz/assets/NewPDFs/Emissions-Update-and-Extension-Final-Draft-Report.pdf>

⁷ The Japan 00/02 standard was implemented for different types of new-model vehicles in Japan between 2000 and 2002. Some existing-model vehicles did not have to be certified to this standard until as late as September 2003.

⁸ Because 97% of all used vehicles imported are Japanese domestic vehicles that were certified to Japanese standards, only the Japanese standards are considered here. Equivalent standards from Europe, Australia and the United State of America are also included in the rule.

⁹ The Japan 05 standard began to be implemented for all types of new-model vehicles from September 2005. Existing-model vehicles do not need to comply until September 2007.

¹⁰ Because the Japan 09 standard has not yet been implemented in Japan, it cannot be referred to in the Rule and has been removed.

¹¹ Existing model vehicles are models already in production when a standard is introduced and implementation may be delayed to enable manufacturers to finish production runs. See discussion under new vehicle policy issues below

¹² These include the Subaru Legacy, Subaru Impreza, Nissan Primera, Honda Odyssey, Toyota Previa/Estima/Lucida.

practise either: need to import models that are currently not popular or would need to import a vehicle only five or six years old to comply with the standard. Submissions reported these options would not be economic and that import volumes might drop by as much as 80%.¹³

32. Modelling undertaken for the Ministry showed that if the volume of used petrol vehicles entering the fleet decreased significantly, the air quality would deteriorate in the short term (i.e. less than ten years) although not in the longer term as potential buyers would retain their older, higher polluting vehicles longer. Modelling showed it was generally better for air quality to maintain fleet turnover to replace these older vehicles.
33. The Ministry has therefore modified the proposed 2007 Rule to delay the introduction of Japan 00/02 standard for one year. This has been achieved by requiring vehicles to meet at least the Japan 98 emissions standard (an interim standard introduced in Japan from 1998¹⁴). Adoption of the Japan 98 as the minimum standard for 2008 would allow the Rule to continue to be implemented on 1 January 2008 as proposed. The Japan 00/02 standard would then become the minimum standard on 1 January 2009. Submissions from the used car industry called for a two year delay in implementing the Japan 00/02 standard to allow them to continue to import sufficient volumes of vehicles but did not provide specific information to justify this.
34. It is also proposed that the introduction of the Japan 05 standard for petrol vehicles be delayed from 2010 to 2012. Again, this is to reduce the potential negative impacts of the policy on the availability of vehicles at a price that are economic to be imported and to ensure rate of fleet turn over is maintained. It should be noted that, unlike the introduction of the Japan 00/02 standard, some Japanese manufacturers began to make reasonably large numbers of Japan 05 compliant vehicles in 2004. This will lessen the impact of introducing the Japan 05 standard seven years after it was implemented in Japan. Submissions from the used car industry's major bodies supported this proposal. Covec's modelling suggests the proposed delay for the Japan 05 standard would make little difference to air quality,
35. Effectively restricting the volume of petrol vehicles being imported would have economic and social consequences. The most obvious economic effects will be on those directly involved in the importation and sale of used vehicles should the volume of imports be significantly restricted. Because New Zealand already has one of the highest rates of vehicle ownership in the world¹⁵ and the because the average household already has two or more vehicles, the overall impacts on society from any

¹³ In general vehicles sold new in Japan cost around the same as they do in New Zealand. However, the Japanese Government imposes taxes on vehicles at the time of their in-service inspections, known as the Shaken test. The Shaken test is applied when a vehicle is three years old and then every second year. The taxes can amount to over NZ\$2,500. It is therefore the high taxation that encourages people to sell their vehicles at odd numbered years. The high tax contributes to vehicles depreciating more quickly in Japan than in New Zealand. It is at around seven years old that Japanese vehicles have depreciated to a level that it becomes economic for them to be purchased in Japan, shipped to New Zealand and then sold at a price that is competitive with a vehicle that was originally sold new in New Zealand.

¹⁴ This 1998 standard is often referred to by importers as the "GF standard" as this is the code used by the Japanese car makers to identify vehicles built to this standard. Although this would allow the entry of some ten year old cars, most vehicles made to this standard were manufactured in between 1999 and 2001

¹⁵ In 2006 New Zealand had 700 vehicles per 1000 people. Only US was higher at 765 In contrast Australia, has around 520 per 1000. <http://www.transport.govt.nz/assets/NewPDFs/NZ-Light-Vehicle-Fleet-7.pdf>

reduced levels of imported vehicles are likely to be minor. Covec's 2006 report¹⁶ identified that the greatest social costs come from not having access to any vehicle, rather than not being able to purchase a vehicle they might otherwise have wished to purchase.

36. Because newer vehicles are generally more expensive than older vehicles the proposed Rule is expected to lead to increased prices for used vehicles both entering the fleet and for those already in the fleet. Consumers will have three options in response to this: purchase a more expensive vehicle, purchase a vehicle already in the fleet or not to enter the market. These outcomes would impose additional costs on purchasers, but quantification is difficult - especially for the last two.
37. In a separate decision in 2007 [CAB (07) 99 refers] Cabinet has requested a report back in 2010 on the effectiveness of the Rule and whether other policy options, including a rolling age ban should be considered as a means of restricting entry. The impacts of the Rule will be able to be considered at that time.

Summary of proposed emissions standards for used petrol vehicles

Japanese <u>petrol</u> vehicle standard	Proposed revised year to adopt as minimum standard in New Zealand	Number of years lag from implementation in Japan	Date previously agreed by Cabinet for consultation in proposed Rule
Japan 98	2008	10	
Japan 00/02	2009	7-9	2008
Japan 05	2012	7	2010

Changes to the proposed Rule: used diesel vehicles

38. All modelling showed that implementing the standards set out in the proposed Rule for used diesel vehicles would lead to reductions in harmful emissions. This is largely because the average age of used diesel-powered heavy vehicles entering the New Zealand fleet in 2007¹⁷ was more than 10.4 years old (light diesel-powered vehicles 8.9 years) and is getting older every year. By comparison in 2007 petrol vehicles were an average of 8.1 years old at arrival in New Zealand.
39. Japanese diesel vehicle emissions standards have, until the introduction of the Japan 02/04 standard, been much less strict than equivalent European standards. In the early 1990s the allowable Japanese limits for particulate emissions (which are considered the most harmful) were around twice that of the Euro 1 standard in place in Europe at that time. They were also more than four times higher than the Japan 02/04 standard¹⁸. Unlike with petrol vehicles, simply not importing these older vehicles would reduce particulate emissions from the New Zealand fleet by two to three percent over 10 years depending on the scenario.

¹⁶ *Socio-economic impacts of emissions standards on used imported vehicles* Covec November 2006. <http://www.transport.govt.nz/assets/NewPDFs/Phase-II-emissions-final-report.pdf>

¹⁷ 2007 figures are up to 5 October 2007

¹⁸ See graph in Appendix 4 comparing emission limits from different standards.

40. Used diesel vehicles, especially heavy diesel vehicles, are generally only economic to import into New Zealand after they are eight to ten years old. Therefore, any emissions standard that requires vehicles to be younger than that age is likely to virtually eliminate all current imports of diesel vehicles. The proposed Rule requires vehicles to be 4-6 years old. It is estimated that in 2008 up to 93% of the older higher-emitting used diesel vehicle imports would not comply and would be prevented from entering. While this is likely to be beneficial for air quality, it may have a negative economic impact on those who would otherwise have imported or purchased such vehicles. As virtually all diesel-powered heavy vehicles and many light vehicles are used for commercial purposes, rather than by private citizens, the economic impacts of their non-availability will be more significant than for petrol vehicles. However, the number of vehicles affected will be much smaller¹⁹. Also, unlike petrol vehicles, sixty percent of sales of diesel vehicles are already new vehicles.²⁰
41. According to submissions, the proposed Rule would particularly affect small businesses and trades-people who use trucks in the weight range 3.5 – 12 tonnes, as relatively few of these vehicles are sold new in New Zealand^{21 22}.
42. Submissions also identified that the Rule would also have a significant effect on those who imported diesel vehicles for modification, such as those importing used buses which they convert into campervans for domestic use and for those importing specialised equipment such as water blasters, cherry pickers or rubbish collection vehicles where newer vehicles are especially expensive. The Rule will allow vehicles including examples such as these to be modified to replace older engines with newer, compliant engines. Any converted vehicles will be certified by Land Transport NZ under existing procedures.
43. Because of the importance of diesel vehicle emissions to public health and air quality, the Ministry proposes to leave unchanged the proposed minimum diesel standard to be introduced set out in the consultation draft of the Rule. This would require the Japan 02/04 standard as the minimum from 1 January 2008 and the Japan 05 standard for diesel vehicles as the minimum standard in 2010²³. This is one year after this standard is proposed for new diesel vehicles in New Zealand. This proposal is consistent with Cabinet's decision that it is appropriate to place greater restrictions on the entry of diesel vehicles into New Zealand, compared to petrol vehicles [CAB Min (07) 2/2 refers].
44. An important consideration in restricting the import of used diesel vehicles is that it will ensure that any plans that promote modern, fuel efficient diesel vehicles do not lead to increased imports of older used vehicles.

¹⁹ 16,000 used diesel vehicles were imported in 2006 compared with 113,000 used petrol vehicles.

²⁰ 60% of all diesel vehicle registrations in 2006 were new. Only 40% of petrol vehicle registrations were new.

²¹ In 2007 (year to 5 October) 1,100 trucks 3.5 – 12 T were imported new and 3,300 were imported used

²² These are among the vehicles causing the greatest air quality concerns as they are built to older emission standards, are generally operated in urban environments and travel much greater distances than light passenger vehicles each year.

²³ The Reference to the Japan 09 standard has been removed as this has not been legally adopted in Japan at this time.

Summary of proposed emissions standards for used diesel vehicles

Japanese <u>diesel</u> vehicle standards	Proposed revised year to adopt as minimum standard in New Zealand	Number of years lag from implementation in Japan	Date previously agreed by Cabinet for consultation in proposed Rule
Japan 02/04	2008	4-6	2008
Japan 05	2010	5	2010

New vehicle emission standards

Proposed changes to the proposed Rule: New-vehicle emissions standards

45. In general, the new vehicle industry has been supportive of the proposed Rule and has agreed that there would be little direct impact on their business or customers. The main concerns expressed in submissions related to the implementation dates of specific emission standards for existing-model heavy trucks and the implementation dates for the Australian Design Rules (ADR) in New Zealand.
46. Existing-model vehicles are those models already in production when a standard is introduced. Implementation of a standard may be delayed to enable manufacturers to finish production runs. Two-year delays to implementation for existing models are permitted under European and Japanese standards. The consultation draft proposed that there be a one-year delay for the introduction of standards for existing model new vehicles in New Zealand. This was considered appropriate in previous versions of the Rule when the “new-model” standards lagged Europe and Japan by three or four years²⁴. Consultation identified that a one year delay from the date required for new-models would see New Zealand implementing standards at the same time, or ahead of when they were required in the originating jurisdiction. The long lead times needed to manufacture heavy vehicles for New Zealand’s unique axle weight limits meant that this timing was not practical. It is therefore proposed to implement a two-year delay for existing model vehicles as well as for new-model vehicles from the time that they are implemented in the parent jurisdiction. The new vehicle importers who are affected by this proposal strongly supported this approach.
47. ADR emission standards are now identical to European standards, but some are implemented on different dates from Europe. The timing varies with the type of vehicle and fuel. These differences in timing caused difficulty aligning implementation dates of standards between Europe and Australia in the proposed Rule. As a result, in some cases New Zealand would have implemented standards ahead of Australia, which would have caused significant difficulties for companies sourcing vehicles from Australia. To resolve this it is proposed to require the same dates for implementation of the ADR standards in New Zealand as in Australia. The only exception to this will be for diesel-powered heavy vehicles in 2008. These will continue to be required to meet the standards proposed in the consultation draft Rule (which were unchanged from the

²⁴ Although new vehicles may be certified to US standards, almost none are. Because US vehicles must be built to left hand drive, they are generally constructed specifically for market in Australia and certified to meet Australian standards.

current 2006 Rule)²⁵. As diesel-powered heavy vehicles are ordered up to a year or more in advance to meet New Zealand's unique axle weight requirements, it is not appropriate to amend the ADR requirements from what was in the consultation draft Rule with only one month's notice. This change was supported by the industry.

Changes to the proposed Rule and need for future amendments: Euro 5 and Japan 09

48. The consultation draft Rule required that the Japan 09 and the Euro 5 emission standards be implemented in New Zealand for new diesel-powered vehicles from 2011. These two standards have not yet been formally adopted in their parent jurisdictions and cannot be included in the Rule at this time for either new or used vehicles. To be clear that the Rule will include these standards, the relevant tables in the Rule intentionally only apply to vehicles manufactured "on or after 1 January 2010 and before 1 January 2011", rather than being open ended. It will therefore be necessary to amend the Rule to include these standards before 2011. The Rule's preamble also makes specific mention of the intention to require the two standards once they are approved.

Changes to the proposed Rule: Alternative fuels

49. The current 2006 Rule only applies to vehicles powered by petrol or diesel engines. The proposed 2007 Rule has been modified to include vehicles operating on other fuel types. Vehicles operating solely on liquefied petroleum gas (LPG) or compressed natural gas (CNG) (so called dedicated alternative-fuel vehicles) will now be required to comply with emissions standards relevant to those fuels from the four jurisdictions. All dedicated alternative fuel vehicles²⁶ currently entering the fleet are built to relevant Australian standards and will not be affected.
50. So called dual-fuel vehicles that are powered by petrol or diesel combined with another fuel such as LPG or CNG will be treated as either petrol or diesel vehicles. The emissions standards will not have any effect on vehicles that are already certified and in the fleet which are converted to be dual fuel or dedicated alternative fuel vehicles. As LPG or CNG vehicles should have lower emissions than their original fuel type, this is not expected to pose any air quality issues²⁷.

New vehicle emissions standards – biofuels

51. At this time there are no emissions standards that are specific for vehicles that operate solely on biofuels such as ethanol or bio-diesel. All biofuel compatible vehicles currently available for the New Zealand market are petrol or diesel vehicles modified to run on various blends of ethanol or bio-diesel, including 100 percent biofuel. All commercially available biofuel compatible vehicles in New Zealand and overseas

²⁵ ADR 80/02 is the minimum standard in Australia for existing model vehicles from 1 January 2008 so this is a one year delay from Australia's implementation date. Note that there is no ADR 80/01. This was replaced by ADR 80/02.

²⁶ At present only Ford and Holden import dedicated LPG vehicles. These are primarily sold to taxi companies. Designline buses in Ashburton also makes a small number of dedicated CNG buses for urban passenger transport.

²⁷ There are no accurate statistics on the number of vehicles converted to LPG or CNG. The LPG Association estimates that there are around 10,000 converted vehicles in the fleet at present.

vehicles are certified to comply with either petrol or diesel vehicle emission standards and will therefore not be affected by the Rule.

Other matters

Emissions testing of used vehicles

52. The consultation draft of the proposed Rule required all used vehicles to undertake an emissions test at the time of entry certification to confirm that its emissions control equipment is still operating as intended. The test is expected to cost NZ\$25 - \$50. There was widespread support for this proposal. The only substantive issues raised in submissions were a need to allow a delay after the Rule is implemented to allow Land Transport NZ to prepare the necessary documentation and recording systems for the testing and for workshops to purchase emissions testing equipment and train staff in its use. The Ministry considers that these are relatively simple and inexpensive tests and a 1 May 2008 implementation date is proposed in the Rule.

Prohibition on tampering with emissions control equipment

53. In June 2005, Cabinet agreed to introduce a “requirement prohibiting the removal or tampering with a vehicle’s emissions control technologies, including the vehicle’s catalyst, for vehicles that are first registered after any necessary rule comes into effect”; [POL MIN (05) 16/20 refers]. The consultation draft of the proposed 2007 Rule included provisions to give effect to this decision.
54. A vehicle imported after the proposed Rule comes into effect will not be allowed to be modified in such a way that would prevent it from passing the same emissions test that will be applied at the time of entry certification. The requirement not to modify vehicles will initially be enforced by a visual inspection of the vehicle and its components. If there is doubt over whether any modification will affect a vehicle’s performance, then inspectors can require a vehicle to be tested. Land Transport NZ is currently consulting with the vehicle testing sector on the practical aspects of implementing such a test. There was general support for the proposal. Submissions generally concentrated on how the control would be implemented. The proposed Rule has been revised to clarify these matters.
55. This element of the Rule is significant because it sets a benchmark. It means that if the government decides to require in-service emissions testing of vehicles at there will be a known standard to test the vehicles against. There will also now be a legal requirement for vehicles to be maintained to a known performance level.

Other policy matters - Minor provisions

56. The consultation draft of the proposed Rule also contained a number of relatively minor changes to the 2006 Rule. These included the introduction of a specific requirement that vehicles must be fitted with the monitoring technology known as On Board Diagnostics (OBD) where this is required by the standard. This change is being made solely to clarify the wording of the current Rule. It will not impose any additional costs on vehicle importers. There were no objections to the proposed clarification and the proposed Rule includes this requirement.

57. The consultation draft of the proposed Rule allowed an exemption for Defence Force to be fitted with what is known as a “defeat device” which allows a vehicle’s emissions control equipment to be temporarily deactivated. Such an exemption was considered necessary as the Defence Force could not guarantee fuel quality or access to other materials when operating outside of New Zealand, or in combat situations. Most submissions agreed with the proposed exception. The proposed 2007 Rule will allow Defence Force vehicles to be fitted with a defeat device.²⁸

Implementation dates

58. The key elements of the Rule are intended to come into effect on 1 January 2008, or 28 days after the Rule is signed whichever is the latter.
59. Because there will be a relatively short period of time between the signing of the Rule and its coming into effect, it is proposed that the Rule allow a one-month delay for the new entry-into-service requirements for vehicles that may be in-transit when the Rule comes into effect. The proposed Rule contains a transitional and savings provision that allows vehicles, inspected at the border before 1 February 2008, to comply, as an alternative, with the existing emission standards in the 2006 Rule. This transitional provision should improve implementation because the Rule would otherwise be implemented during the New Year holiday period. In addition, to further reduce the impact of the timing, the proposed Rule will apply at time of border inspection. This can occur in Japan, rather than at entry certification, which happens in New Zealand.
60. The proposed Rule also proposes that the requirement for emission testing of used vehicles be implemented from 1 May 2008.

Consultation

61. I am satisfied that Land Transport NZ has publicly notified and consulted on the proposed Rule on behalf of the Minister of Transport in accordance with section 161 (2) of the Land Transport Act 1998. Formal consultation on the proposed Rule began in May 2007 when Land Transport NZ made the yellow (public consultation) draft available to about 850 organisations and individuals who had registered their interest in the Rule. The availability of the yellow draft was publicised in metropolitan and selected regional daily newspapers, *Mana Magazine* and *the New Zealand Gazette*. The draft was also made available, together with Questions and Answers, on the Land Transport NZ website. Submissions on the yellow draft closed on 9 July 2007. In addition to considering the written submissions, the Ministry of Transport participated in and took on-board feedback from a series of seminars organised by the Independent Motor Vehicle Dealers Association (IMVDA) and the Motor Trade Association (MTA), held in the main centres of New Zealand in May and July 2007. Both the Ministry and Land

²⁸ The overview document specifically asked whether such an exception should be extended to apply to other types of vehicles such as fire engines and ambulances. Representatives of the fire and ambulance services were included in the consultation. However, no submissions were received on this point from the relevant agencies. It is not recommended that any specific allowance be made for vehicles other than for Defence Force vehicles at this time. If it is found that other types of vehicle have legitimate reasons to be fitted with a defeat device, then this could be dealt with in a future amendment to the Rule, or on a case by case basis under existing exemption provisions in the Land Transport Act 1998.

Transport NZ have also held meetings with stakeholders on matters concerning the implementation of the Rule.

62. Land Transport NZ received 84 submissions on the proposed Rule. At the request of the IMVDA and the MTA, an extension of time was given until early August 2007 to allow the industry to make a supplementary submission on the findings of their jointly commissioned research. Following analysis of the submissions, Land Transport NZ and the Ministry of Transport considered recommendations for redrafting the Rule for government scrutiny. Submissions received after the final close-off date were read and considered, but were not able to be included in the formal submissions analysis.
63. The submissions received on the proposed Rule were taken into account in redrafting the Rule that is now being submitted to Cabinet and then for my signature.
64. The following departments and agencies have been consulted and agree with the recommendations: New Zealand Customs Service, Ministry of Economic Development, Energy Efficiency and Conservation Authority, Ministry for the Environment, Ministry of Foreign Affairs and Trade, Ministry of Health, Land Transport NZ, New Zealand Defence Force, New Zealand Police, Transit New Zealand and the Ministry of Social Development. The Department of Prime Minister and Cabinet and Local Government New Zealand have been informed of its contents.

Treasury Comment

65. Treasury does not support the introduction of the Vehicle Exhaust Emissions Rule for used vehicles. The analysis commissioned by the Ministry of Transport suggests that the proposed emission standards are most likely to result in a net *increase* in emissions, primarily because people are expected to hold onto their vehicles for longer as the cost of replacing their existing vehicle rises. While additional measures such as stricter in-service testing could be adopted to mitigate this effect, there has not yet been any analysis done to show the effect of such a package of measures. Therefore based on the available information, Treasury do not support the introduction of emission standards for used vehicles because of the detrimental effect they are expected to have on air quality.

Ministry for the Environment and Ministry of Health Comment

66. The Ministry for the Environment supports the proposals for emissions standards for used vehicle imports. The Ministry believes that the proposals for emissions standards for used vehicle imports, in combination with other measures, will result in a reduction in vehicle emissions over time. This is a critically important step to assist regional councils to meet the National Environmental Standards for air quality introduced under the Resource Management Act. The proposals are a key initiative to reduce effects of vehicle emissions on human health - estimated by the 2007 HAPINZ report to be 500 premature deaths per year and a cost of \$500 million per year. The Ministry of Health have also stated that they agree with the Ministry for the Environment's comment.

Financial and human rights implications

67. There are no direct financial or human rights implications from these recommendations.

Legislative implications

68. After this paper has been noted by Cabinet, I intend to sign the Rule. Following this, the rule will be notified in the Gazette. The Rule will come into force on 1 January 2008 or 28 days after it has been signed, whichever is the later. Consequential amendments to the *Land Transport (Offences and Penalties) Regulations 1998* will be required to support enforcement of the Rule. This will be the subject of a separate paper to the Cabinet Legislation Committee.

Regulatory impact and business compliance cost statement

69. The Regulatory Impact Analysis Unit (RIAU) considers the level of analysis adequate. The RIAU notes however the uncertainties associated with balancing long term benefits and short term costs, including potential costs on certain sectors.

Gender and disability implications

70. There are no gender or disability implications from these recommendations.

Publicity

71. I plan to make an announcement to the press about these decisions. There is expected to be considerable interest in the new Rule. A media release has been prepared and is attached.

Recommendations

72. It is recommended that the Committee:

- 1) **Note** that, as directed by Cabinet [CAB Min (07) 2/2 refers) Land Transport NZ has publicly notified and consulted on the draft Land Transport Rule: Vehicle Exhaust Emissions 2007 on behalf of the Minister of Transport;
- 2) **Note** that 84 submissions were received and were taken into account in developing the final draft of the proposed 2007 Rule; and that only the proposed emission standards relating to used vehicles received significant comment;

Used petrol vehicle emissions standards

- 3) **Note** that consultation has shown that:
 - the potential impacts on the volume of used vehicles entering the fleet were likely to be greater than originally anticipated when the Rule was developed; and
 - modelling showed that reductions in import volumes were not likely to lead to significant short-term improvements in air quality while air quality benefits were likely to be greater from a policy that allows continuous replacement of older petrol vehicles with newer ones, than from requiring the highest possible standards for petrol vehicles entering the fleet;
- 4) **Agree** that for used petrol vehicles entering the fleet the proposed 2007 Rule requires:
 - the Japanese interim emissions standard Japan 98 be the minimum emissions standard for from 1 January 2008;

- the Japan 00/02 emissions standard be the minimum emissions standard from 1 January 2009, which is a one-year delay from that set out in the consultation draft of the Rule;
- the Japan 05 emissions standard be the minimum emission standard from 2012 which is a two-year delay from what was set out in the consultation draft of the Rule;

Used Diesel vehicle emissions standards

- 5) **Note** that modelling shows that not allowing used diesel vehicles to enter the New Zealand fleet that were built to standards earlier than the Japan 02/04 standard will improve air quality as earlier standards allowed relatively high levels of harmful emissions;
- 6) **Agree** to leave the proposed minimum emissions standards for used diesel vehicles unchanged from that in the consultation draft of the Rule, with the Japan 02/04 standard remaining as the minimum standard from 2008 and the Japan 05 emissions standard for diesel vehicles to be implemented in 2010;
- 7) **Note** that if implemented as planned the proposed 2007 Rule will have the effect of preventing virtually all used diesel powered vehicles from entering the fleet, as it is not generally economic to import used diesel vehicles that are less than ten years old and that because many of these vehicles are used for commercial purposes this may have an economic impact on those who would have purchased these vehicles;
- 8) **Note** the following table summarising the proposed changes to the minimum emissions standards contained in the proposed 2007 Rule and that the proposed Rule also contains equivalent standards from other jurisdictions:

Japanese <u>petrol</u> vehicle standard	Proposed revised year to adopt as minimum standard in New Zealand	Number of years lag from implementation in Japan	Date previously agreed by Cabinet for consultation in proposed Rule
Japan 98	2008	10	
Japan 00/02	2009	7-9	2008
Japan 05	2012	7	2010
Japanese <u>diesel</u> vehicle standards	Proposed revised year to adopt as minimum standard in New Zealand	Number of years lag from implementation in Japan	Date previously agreed by Cabinet for consultation in proposed Rule
Japan 02/04	2008	4-6	2008
Japan 05	2010	5	2010

New vehicle emissions standards

- 9) **Agree** that to avoid any potential conflicts over timing, that New Zealand should adopt Australian Design Rules (ADRs) for emissions on the same day as they are adopted in Australia except for diesel-powered heavy vehicles which in 2008 will continue to be required to comply with the ADR standards set out in the consultation draft, due to the short lead times;
- 10) **Agree** that in addition to emissions standards for new-model vehicles being allowed to lag behind those in Japan and Europe by two years, for consistency this two year lag should also apply to existing-model vehicles from the dates they apply in Europe or Japan;

Emission testing at entry and requirement not to modify

- 11) **Note** that the proposed 2007 Rule proposes that all used vehicles entering the fleet be required to pass an emission test and that will prohibit all vehicles entering the fleet after 1 January 2008 from being modified in such a way that would prevent them from passing an emissions test;

Implementation of the Rule

- 12) **Note** that the proposed Rule contains other relatively minor and uncontroversial changes made as a result of consultation;
- 13) **Note** that:
- as the Minister for Transport Safety, I intend to make the Land Transport Rule: Vehicle Exhaust Emissions 2007;
 - the proposed 2007 Rule is included in the approved Land Transport Rules programme for 2007/08 Cabinet paper, [CAB Min (07) 21/4 refers]; and
 - the proposed 2007 Rule meets the statutory criteria and consultation requirements prescribed for making ordinary rules under the Land Transport Act 1998;
- 14) **Agree** that:
- the proposed 2007 Rule come into effect on 1 January 2008, or 28 days after signature, whichever is the later;
 - a one-month delay be allowed until 1 February 2008 for the new entry-into-service requirements for vehicles that were in-transit when the Rule came into effect; and
 - the new requirement to test emissions of used vehicles at entry certification to come into effect from 1 May 2008;
- 15) **Agree** that the attached a copy of this paper, the Cabinet Minute and the Regulatory Impact Analysis be published on the Ministry's Website at the time of the policy's release; and
- 16) **Agree** to the release of the draft media release by Hon Judith Tizard at the time the Rule is signed.

Hon Harry Duynhoven
**Minister for Transport
Safety**

Hon Judith Tizard
**Associate Minister of
Transport**

Hon Annette King
Minister of Transport

Dated: _____

Dated: _____

Dated: _____

Appendix 1

The need for the proposed Rule

Vehicle exhaust emissions are a contributing factor to poor air quality in New Zealand, particularly in urban areas. Emissions affecting air quality, and therefore public health, include: carbon monoxide, oxides of nitrogen, sulphur dioxide, hydrocarbons, ozone, benzene and particulate matter. A study released in June 2007, based on 2001 data, estimated that 500 people in New Zealand die prematurely per year as a result of harmful exhaust emissions from vehicles. The study also put the health costs of these emissions at almost \$500 million²⁹.

Internationally, all governments have approached concerns over air quality by progressively raising the emissions standards for vehicles entering their fleets. There has been little if any social or economic impact from their introduction and there have been marked improvements in air quality in most jurisdictions. Although the New Zealand situation is different, it is clear that requiring vehicles entering the fleet to meet higher standards will lead to lower emissions over time.

Most jurisdictions (with the notable exception of Australia) introduced in-service emissions testing at the same time as introducing tighter emission standards. Emission testing is used to ensure vehicles in the fleet continue to comply with the standard they are built. Testing is not used to measure the absolute value of emissions from a vehicle. Most developed countries introduced requirements for emission standards in the 1970s and 1980s. However, New Zealand did not require any emission controls to be fitted until 2004. As a result, the New Zealand fleet has a disproportionate number of vehicles not built to any emission standards. If any future emission testing regime is to be effective there must be standards against which to test vehicles. The proposed Rule is therefore a key element for any long term policy for reducing fleet wide emissions.

In the absence of Government intervention, used vehicles arriving in the New Zealand fleet have been getting older every year since 2000 and there is no evidence that this pattern will change. In the case of heavy diesel vehicles, which are generally the most concern for air quality, the average age of vehicles entering the fleet has been getting older at almost six months per year. In 2006 the average used heavy vehicle entering the fleet was manufactured in 1995. In the absence of any intervention it would be four to five years until the average heavy vehicle complied with the Japanese emission standards implemented from 1997.

²⁹ *Health and Air Pollution in New Zealand: Final Report*, G. Fisher et al (5 June 2007)

<http://www.hapinz.org.nz/>

The study estimated that air pollution from all human sources contributed to 901 premature deaths annually.

Appendix 2

Other government measures to improve air quality from transport

The proposed revision and replacement of the Land Transport Rule: Vehicle Exhaust Emissions 2006 (the 2006 Rule) is part of a wider government programme to reduce the levels of harmful exhaust emissions from the New Zealand vehicle fleet. It will be a significant step, but modelling shows that the Rule will not on its own guarantee clean air and under some scenarios may cause increases in certain pollutants in the short term if owners retain their vehicles for longer than they otherwise would have. Reducing overall emissions will also require other actions to reduce emissions. Some measures are already underway and others are planned for coming years.

Existing policies that reduce emissions from vehicles already in the fleet include:

- the reduction of sulphur in diesel in 2006. This allowed the introduction of newer emissions control technologies and also reduced the level of harmful emissions from all diesel vehicles;
- Further sulphur reductions will be required from 1st January 2008 for petrol and from 1st January 2009 for diesel³⁰. These are needed to allow the new emission control technologies to operate and may also deliver small further improvements in emissions from all vehicles;
- The introduction of biofuels into New Zealand's fuel as part of the Government's Biofuels Sales Obligation;
- The visible smoke check, introduced as part of in-service inspections in 2006, which targeted the very worst polluting vehicles; and
- The very successful "Choke the Smoke" public education campaign run in 2006 and 2007, which raised awareness and led to a large number of vehicles being serviced.

The Ministry plans in 2008 and 2009 to again investigate in-service emission testing. The work will be important to address the risk of increased emissions if vehicle owners do retain their existing vehicles for longer. The Ministry will also continue to work on policies that will actively encourage the removal of older vehicles from the fleet.³¹

Policies such as ongoing work to promote increased use of public transport and walking and cycling are likely to lead to air quality benefits. The target for a ten percent reduction in single occupancy trips included in the recently announced New Zealand Energy Efficiency and

³⁰ The Ministry of Economic Development is responsible for fuel standards. It will consider the timing of so called zero sulphur petrol as part of their ongoing work programme and will take the decisions on the timing of the emission standards in the proposed Rule into account when making their recommendations.

³¹ A trial vehicle scrappage scheme held in Auckland in mid-2007 in cooperation with the Auckland Regional Council and Auckland Regional Transport Authority saw over 200 vehicles scrapped in exchange for public transport passes.

Conservation Strategy should also have a positive effect on harmful, as well as greenhouse gas emissions.

The Ministry is currently developing a draft Vehicle Strategy that will be submitted to Cabinet for approval for circulation as a discussion document in 2008. This strategy will specifically look at policies that will address how improvements may be made to the in-service fleet in a range of areas including safety, fuel economy and harmful emissions. It will also look at options to address vehicles at their end of life. The need for such a strategy was identified in a number of submissions.

Appendix 3

A précis of Covec's Findings

The new report prepared by the consulting firm Covec is significant because their earlier 2006 report³² had concluded that, depending on the reactions of consumers and importers, the effects of the Rule would, in the short term, lead to between a 0.5 percent decrease in emissions and a two percent increase in emissions. These figures were widely cited in submissions as a reason not to proceed with the Rule as proposed.

Covec's 2007³³ modelling was based on a new model and updated data on the fleet. It therefore has a number of findings that are different from their earlier analysis. In particular, it found that the level of increase (or decrease) of harmful emissions and also any change in greenhouse gas emissions, which were also modelled, is strongly dependent on the amount of travel done by vehicles already in the fleet. This is because, in general, older cars travel less than newer cars.

Emissions models assume a direct relationship between a vehicle's age and the distance it travels, with newer vehicles travelling more kilometres per year than older vehicles. Covec argued that if the proposed Rule caused people to keep their vehicles longer (and therefore the fleet got older) this would not in the short term lead to any change in the amount of travel that people want to do: i.e. the total vehicle-kilometres travelled or VKT would stay constant. This implies that the older vehicles already in the fleet could, under these circumstances travel further than previously and, as a result, the levels of harmful emissions could, under these circumstances, rise. However, any increase would only last for the additional period in which the cars are held onto rather than scrapped. This is assumed to be only a matter of a few years.

For simplicity, the modelling was forced to assume that the future profile of imports would always look like 2006. The study did not attempt to model the effects of any other matters that might affect vehicle imports or emissions in coming years such as other Government policy initiatives relating to fuel economy or emission testing. It also did not consider the effects of variables such as future changes in currency exchange rates that might affect fuel or vehicle prices and therefore lead to behaviour changes.

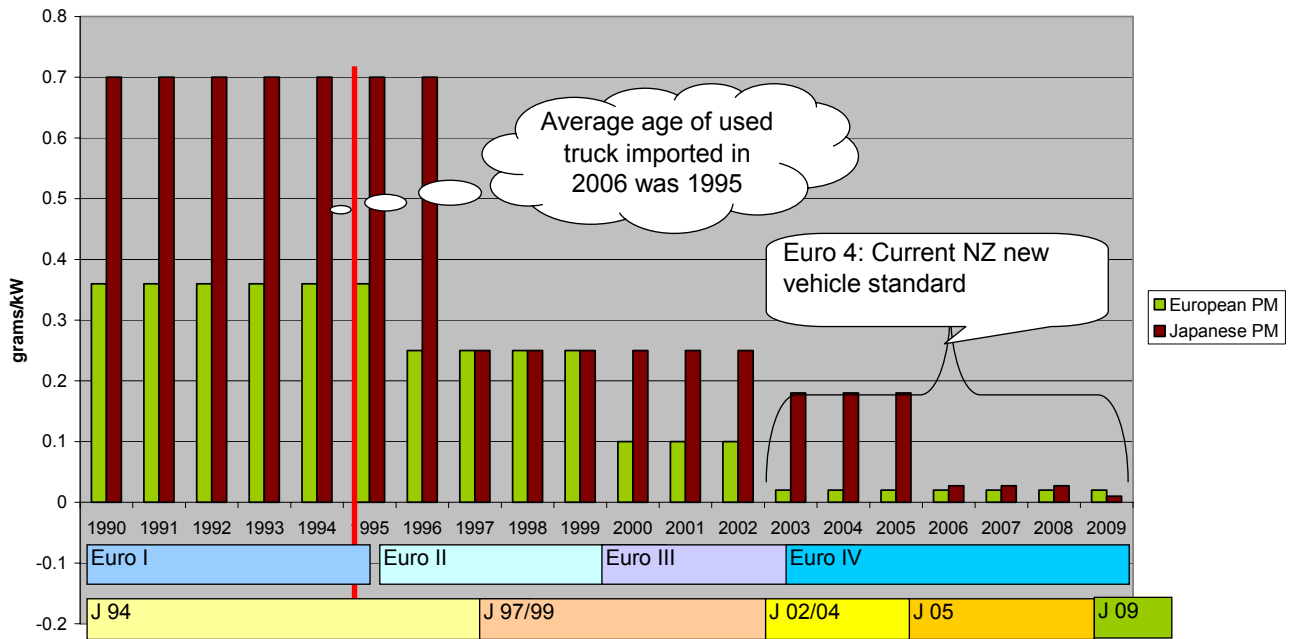
It is also important to note in reviewing the findings from the new modelling that we do not know how the general public or used vehicle importers will respond to the proposed controls. Internationally, the introduction of emission standards has not noticeably affected public behaviour. Covec has tried to deal with the uncertainties by modelling the same assumptions for each scenario. Different assumptions, especially relating to VKT, showed quite different benefits from all policy options they modelled.

³² *Socio-economic impacts of emissions standards on used imported vehicles* Covec November 2006.
<http://www.transport.govt.nz/assets/NewPDFs/Phase-II-emissions-final-report.pdf>

³³ *Update and Extension of Vehicle Emissions Modelling* Covec September 2007.
<http://www.transport.govt.nz/assets/NewPDFs/Emissions-Update-and-Extension-Final-Draft-Report.pdf>

Appendix 4

Japanese and European particulate (PM₁₀) emission levels for heavy diesel vehicles



CONSULTATION ON CABINET AND CABINET COMMITTEE SUBMISSIONS

CERTIFICATION BY DEPARTMENT

<p>Guidance on the consultation requirements for Cabinet and Cabinet committee papers is provided in the Procedures: Consultation section of the CabGuide website at http://www.cabguide.cabinetoffice.govt.nz/procedures/consultation</p>		
<p>Departments/agencies consulted: The attached submission has implications for the following departments/agencies whose views have been sought and are accurately reflected in the submission:</p> <p>The New Zealand Customs Service, Ministry of Economic Development, Energy Efficiency and Conservation Authority, Ministry for the Environment, Ministry of Foreign Affairs and Trade, Ministry of Health, Land Transport NZ, New Zealand Defence Force, New Zealand Police, Transit New Zealand and the Ministry of Social Development..</p> <p>Departments/agencies informed: In addition, the following departments/agencies have an interest in the submission and have been informed:</p> <p>The Department of Prime Minister and Cabinet and Local Government New Zealand have been informed of its contents</p> <p>Others consulted: Other interested groups have been consulted as follows:</p>		
Signature	Name, Title, Department	Date
	Iain M ^c Glinchy Principal Adviser, Technology and Fuels, Ministry of Transport	/ /

CERTIFICATION BY MINISTER

<p>Ministers should be prepared to update and amplify the advice below when the submission is discussed at Cabinet/Cabinet committee. The attached proposal:</p>

Consultation at Ministerial level	<input type="checkbox"/> has been consulted with the Minister of Finance <i>[required for all submissions seeking new funding]</i> <input type="checkbox"/> has been consulted with the following Ministers: <input type="checkbox"/> did not need consultation with other Ministers	
Discussion with Labour/ Progressive caucuses	<input type="checkbox"/> has been or <input type="checkbox"/> will be discussed with the government caucuses <input type="checkbox"/> does not need discussion with the government caucuses	
Discussion with other parties	<input type="checkbox"/> has been discussed with the following other parties represented in Parliament: <input type="checkbox"/> New Zealand First <input type="checkbox"/> United Future <input type="checkbox"/> Green Party <input type="checkbox"/> Other [specify] <input type="checkbox"/> will be discussed with the following other parties represented in Parliament: <input type="checkbox"/> New Zealand First <input type="checkbox"/> United Future <input type="checkbox"/> Green Party <input type="checkbox"/> Other [specify] <input type="checkbox"/> does not need discussion with other parties represented in Parliament	
Signature	Portfolio	Date / /