

From: [REDACTED]
To: [Clean Cars](#)
Subject: Clean Car Initiative
Date: Tuesday, 16 July 2019 9:44:56 AM
Attachments: [image001.jpg](#)
[image002.png](#)

Hello Minister

In general the proposal looks good and would have the effect of moving more people into electric cars over time.

Hopefully the electricity they will use will be able to be produced using renewal only sources?

A problem I see with the timing of the initiative is that it will take too long to have an effect. Here is the problem:

I am, for example, interested in purchasing an electric vehicle right now. I am encouraged by the potential of a lets say an \$8,000 discount on the price of the vehicle. However I cannot get that discount until sometime in 2021.

Basic economics and customer behaviour tells me that by waiting two years I will pay \$8,000 less, and I also know that if I buy one now, as well as usual market depreciation, the second hand value of the vehicle will drop by an additional \$8,000 in two years time.

What are my options (leaving aside the fuel saving/electricity factors which are expense as against capital related and therefore irrelevant to the argument):

- 1 Keep my gas guzzler for a further two years?
- 2 Buy another gas guzzler and sell that in a few years time.
- 3 Buy an electric car now and miss out on the proposed pricing opportunities.

What happens to companies selling electric vehicles right now? Potentially their sales drop for the next two years, and they potentially have to exit the market.

Therefore the failure to implement the subsidy this year would potentially put the electric vehicle market and uptake by two years, exactly what you are trying to avoid?

No doubt your advisers will say it cannot be implemented that quickly, but we know that is not true.

Regards

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Principal

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