

18 July 2019

The Right Honorable Jacinda Ardern
Prime Minister
Parliament Buildings
Wellington

Dear Jacinda

RE - Government DISCOURAGES Purchase of Low Emission Vehicles

I wrote to you on 23 June 2019 to propose that you remove the GST on low emissions electric and hydrogen fuel cell vehicles to encourage their uptake by private non-GST registered individuals.

Since then your Government has announced a surcharge and rebate model to penalise purchasers of less fuel efficient vehicles and reward purchasers of more fuel efficient vehicles.

Unfortunately this only takes effect from 2021.

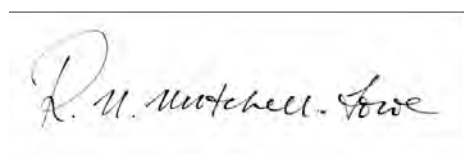
The delayed introduction of the new scheme encourages private buyers of low emissions vehicles to delay their purchases and may well have exactly the reverse effect of what you are trying to achieve.

I reiterate the suggestion to remove GST on the sale of electric and fuel cell vehicles to private buyers with immediate effect.

This will help drive sales volume and compensate early adopters for their moral leadership.

I reiterate the observation that we need to do things that reduce emissions with immediate effect.

Yours Sincerely

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Richard Mitchell-Lowe
Auckland

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m: [REDACTED]

Carbon Copy:

The Honourable James Shaw, Minister for Climate Change & Associate Minister of Finance
The Honourable Julie Anne Genter, Associate Minister of Transport

The Right Honorable Jacinda Ardern
Prime Minister
Parliament Buildings
Wellington

Dear Jacinda

RE - GST Free Low Emissions Vehicles for Private Buyers

In respect of humanity's struggle to prevent catastrophic climate change, the only measure of success that matters to Nature is that we reduce the absolute level of accumulated greenhouse gases in the Earth's atmosphere.

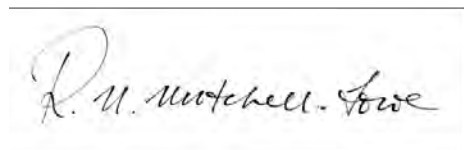
While it is excellent news that the Carbon Zero Bill will soon be passed into law, it is also sobering to reflect on the fact that many very obvious initiatives have not been progressed a full 18 months after your Government was elected.

I am writing to you to recommend that the Government immediately removes goods and services tax (GST) from full electric and hydrogen fuel cell vehicles when sold to private individuals who are not registered for GST. It is envisaged that this incentive would remain in place for a period of 5 years.

This is a simple step to take that will stimulate the sale of these vehicles by substantially reducing the price differential that still exists between such vehicles and petrol / diesel vehicles which are produced in higher volumes. The retention of GST on sales to GST registered buyers will ensure that the market remains properly priced and the initiative will not be milked by manufacturers to achieve windfall profits, an area that MBIE could be tasked to monitor.

It is important that we accelerate the transition of our vehicle fleet to low-emissions technologies as quickly as possible because the emissions from internal combustion engines in new vehicles are cumulative and will contribute to emissions for at least the next 15 years.

Yours Sincerely

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Richard Mitchell-Lowe
Auckland

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m: [REDACTED]

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The Right Honourable James Shaw, Minister for Climate Change & Associate Minister of Finance