

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"> (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
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)

In Confidence

Office of the Minister of Transport

Cabinet Legislation Committee

Land Transport (Clean Vehicle Standard) Amendment Regulations

Proposal

- 1 This paper seeks authorisation for submission to the Executive Council of the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024 (the Regulations).

Executive Summary

- 2 The Regulations implement various changes to the Clean Vehicle Standard (the Standard), as decided by Cabinet on Monday 8 July (CAB-24-Min-0248, CBC-24-MIN-0067 refer). These changes result from a review of the Standard that I was required to undertake under section 175A of the Land Transport Act 1998 (the Act) (the Review). A review of the achievability of the 2025–2027 CO₂ targets for vehicle importers under the Standard was also included in the National Party's manifesto commitments.
- 3 The Regulations amend the Land Transport (Clean Vehicle Standard) Regulations 2022 (the Principal Regulations) to:
 - 3.1 align the CO₂ targets for vehicle importers under the Standard with Australia,
 - 3.2 exclude disability vehicles from the Standard and improve the definition of disability vehicle to limit fraudulent exemptions,
 - 3.3 amend the weight-adjusting formulae slopes for 2025 and 2026,
 - 3.4 amend the minimum and maximum weights for light commercial vehicles, and
 - 3.5 correct an error relating to publication dates.
- 4 A waiver of the 28-day rule is sought relating to the changes for disability vehicles.
- 5 No compliance issues have been identified, and I consider that the requirements in section 167C(3) of the Act are met.

Policy

- 6 The Standard reduces the average CO₂ emissions of vehicles that are imported through annual CO₂ targets that progressively decrease. Vehicle importers are required to meet the targets each year, on average, across the vehicles they import.
- 7 The framework for the Standard is set out in the Principal Regulations and Parts 11 and 13 of the Act.

- 8 The Government is committed to retaining the Standard to support us to achieve New Zealand’s 2050 net zero climate goal by accelerating the supply of low and zero emission vehicles. However, to better realise the potential of the Standard and to reduce motoring costs for New Zealanders, the Government committed to the Review to ensure that the Standard’s targets are achievable.
- 9 The Regulations implement Cabinet’s decisions through the following changes to the Principal Regulations: (CAB-24-Min-0248, CBC-24-MIN-0067 refer).

9.1 The CO₂ targets for the Standard are reset to align with Australia and are:

Year	Passenger vehicles (ie cars and SUVs)	Commercial vehicles (ie vans, utes, light trucks)
	Grams per kilometre	Grams per kilometre
2025	112.6 (no change)	223
2026	108	207
2027	103	175
2028	76	144
2029	65	131

- 9.2 Disability vehicles are excluded from the Standard, and the definition of “disability vehicle” is amended to help prevent fraudulent exemptions.
- 9.3 The weight-adjusting formulae for passenger vehicles for 2025 and 2026 are amended so that the 2025 slope is 0.0457, and the 2026 slope is 0.0343.
- 9.4 From 1 January 2025, the current minimum and maximum weights for light commercial vehicles are increased from 1,200 kilograms to 1,600 kilograms, and from 2,200 kilograms to 2,300 kilograms respectively.
- 9.5 An error in the Principal Regulations is corrected so that the publication dates for data concerning the weight-adjusting formulae are determined by the obligation year rather than the reference period.

Timing and 28-day rule

- 10 The Regulations come into force on 3 October 2024, aside from the changes to minimum and maximum weights, which come into force on 1 January 2025 and the exclusion for disability vehicles and the change to the definition of “disability vehicle” (regulations 4 and 5), which come into force on 5 September 2024.
- 11 A waiver of the 28-day rule is sought in relation to regulations 4 and 5 of the Regulations on the grounds that the exclusion of disability vehicles confers only benefits on the public (Cabinet Manual 7.100(a)), and the change to the definition must come into force at the same time as the exclusion to avoid unfair commercial advantage being taken of the exclusion (Cabinet Manual 7.100(d)).

Compliance

- 12 The Regulations comply with each of the following:
- 12.1 the principles of the Treaty of Waitangi (the Regulations are unlikely to have significant impact on Māori);

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- 12.2 advice from the Treaty Provisions Officials Group on any Treaty of Waitangi provisions (no advice was sought as the Regulations do not contain any relevant provisions);
 - 12.3 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 12.4 the principles and guidelines set out in the Privacy Act 2020;
 - 12.5 relevant international standards and obligations; and
 - 12.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 13 Section 167C(3) of the Act specifies that before I may recommend the making of regulations prescribing targets for the level of CO₂ emissions, I must:
- 13.1 Consult such persons as I consider appropriate, and
 - 13.2 Take into account the expected reduction in vehicle CO₂ emissions resulting from the targets, and the expected impact of the targets on vehicle safety, affordability, and availability, and
 - 13.3 Be satisfied that the targets are set at an appropriate level to increase the supply of zero and low-emission vehicles in the market, and that the targets are consistent with transport-specific policies and strategies set out in the emissions reduction plan made under section 5ZG of the Climate Change Response Act 2002 for meeting the emissions budget set under that Act.
- 14 I have sought advice from officials on these matters and I consider that these requirements are met.

Regulations Review Committee

- 15 Officials have not identified any grounds for the Regulations Review Committee to draw these Regulations to the attention of the House of Representatives.

Certification by Parliamentary Counsel

- 16 The Regulations are certified by the Parliamentary Counsel Office (PCO) as being in order for submission to Cabinet.

Impact Analysis

- 17 A Regulatory Impact Assessment was prepared in accordance with the necessary requirements, and was submitted at the time that Cabinet approval was sought of the policy relating to the Regulations (CAB-24-Min-0248, CBC-24-MIN-0067 refer).

Publicity

- 18 On 9 July 2024 I issued a media release announcing the Government's decisions on the Standard. I will issue a further media release when the Regulations are made. Information to publicise the new regulations will also be made available on the New Zealand Transport Agency and Ministry of Transport websites. The New Zealand Transport Agency will also engage directly with the vehicle industry.

Proactive release

- 19 I propose to proactively release this paper within 30 days of Cabinet making final decisions.

Consultation

- 20 The Motor Industry Association (MIA), the Imported Motor Vehicle Industry Association (VIA), the Motor Trade Association (MTA) and the New Zealand Automobile Association (AA) were consulted on the proposals that the Regulations will give effect to.
- 21 The following agencies were consulted on the Regulations and this Cabinet paper: New Zealand Transport Agency, Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment, the Treasury, Ministry for the Environment, New Zealand Customs Service, Ministry of Social Development, Ministry for Disabled People, and Ministry for Primary Industries. The Energy Efficiency and Conservation Authority was consulted on this Cabinet paper. The Department of the Prime Minister and Cabinet has been informed.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that on Monday 8 July 2024 Cabinet agreed to confirm the decisions taken by the Cabinet Business Committee that: (CAB-24-Min-0248, CBC-24-MIN-0067 refer)
- 1.1 the CO₂ targets for the Clean Vehicle Standard (the Standard) be reset to align with Australia's
 - 1.2 disability vehicles be excluded from the Standard, and that the exclusion come into force as soon as possible after the amending regulations are made
 - 1.3 the weight-adjusting formulae for passenger vehicles for 2025 and 2026 be amended so that the slope for 2025 is 0.0457 and the slope for 2026 is 0.0343
 - 1.4 the minimum and maximum weights for light commercial vehicles be increased from 1,200 kilograms to 1,600 kilograms, and from 2,200 kilograms to 2,300 kilograms respectively
 - 1.5 an error in the Land Transport (Clean Vehicle Standard) Regulations 2022 be corrected so that the publication dates for data in the weight-adjusting formula are determined by the obligation year rather than the reference period
- 2 **note** that the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024 will give effect to the decisions referred to in recommendation 1 above
- 3 **note** that the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024 come into force on 3 October 2024, except that changes to minimum and maximum weights for light commercial vehicles will come into force on 1 January 2025, and provisions relating to disability vehicles on 5 September 2024
- 4 **agree** to waive the 28-day rule for the provisions relating to disability vehicles:

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- 4.1 so that the provisions can come into force as soon as possible after the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024 are made, and
- 4.2 on the grounds that the exclusion of disability vehicles confers only benefits on the public (Cabinet Manual 7.100(a)), and the change to the definition must come into force at the same time to avoid unfair commercial advantage being taken of the exclusion (Cabinet Manual 7.100(d))
- 5 **note** that section 167C(3) of the Land Transport Act 1998 requires that the responsible Minister must, before recommending that regulations be made prescribing targets for the level of carbon dioxide emissions from light vehicles imported annually:
- 5.1 consult such persons as the Minister considers appropriate,
- 5.2 take into account the expected reduction in vehicle carbon dioxide emissions resulting from the targets, and the expected impact of the targets on vehicle safety, affordability, and availability, and
- 5.3 be satisfied that the targets are set at an appropriate level to increase the supply of zero and low-emission vehicles in the market, and that the targets are consistent with transport-specific policies and strategies set out in the emissions reduction plan made under section 5ZG of the Climate Change Response Act 2002 for meeting the emissions budget set under that Act
- 6 **note** the advice of the Minister for Transport that these requirements have been met
- 7 **authorise** the submission to the Executive Council of the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024.

Authorised for lodgement

Hon Simeon Brown
Minister of Transport

Order in Council is publicly available here - <https://www.legislation.govt.nz/regulation/public/2024/0184/latest/LMS984792.html?src=qs>

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Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Land Transport (Clean Vehicle Standard) Amendment Regulations 2024

Portfolio Transport

On 29 August 2024, the Cabinet Legislation Committee:

- 1 **noted** that on 1 July 2024, the Cabinet Business Committee agreed that:
 - 1.1 the CO₂ targets for the Clean Vehicle Standard (the Standard) be reset to align with Australia's;
 - 1.2 disability vehicles be excluded from the Standard, and that the exclusion come into force as soon as possible after the amending regulations are made;
 - 1.3 the weight-adjusting formulae for passenger vehicles for 2025 and 2026 be amended so that the slope for 2025 is 0.0457 and the slope for 2026 is 0.0343;
 - 1.4 the minimum and maximum weights for light commercial vehicles be increased from 1,200 kilograms to 1,600 kilograms, and from 2,200 kilograms to 2,300 kilograms respectively;
 - 1.5 an error in the Land Transport (Clean Vehicle Standard) Regulations 2022 be corrected so that the publication dates for data in the weight-adjusting formulae are determined by the obligation year rather than the reference period;

[CBC-24-MIN-0067]
- 2 **noted** that the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024 (the Regulations) will give effect to the decisions referred to in paragraph 1 above;
- 3 **noted** that the Regulations come into force on 3 October 2024, except that changes to minimum and maximum weights for light commercial vehicles will come into force on 1 January 2025, and provisions relating to disability vehicles on 5 September 2024;
- 4 **agreed** to waive the 28-day rule for the provisions relating to disability vehicles:
 - 4.1 so that the provisions can come into force as soon as possible after the Regulations are made, and
 - 4.2 on the grounds that the exclusion of disability vehicles confers only benefits on the public, and the change to the definition must come into force at the same time to avoid unfair commercial advantage being taken of the exclusion;

- 5 **noted** that section 167C(3) of the Land Transport Act 1998 requires that the responsible Minister must, before recommending that regulations be made prescribing targets for the level of carbon dioxide emissions from light vehicles imported annually:
- 5.1 consult such persons as the Minister considers appropriate;
 - 5.2 take into account the expected reduction in vehicle carbon dioxide emissions resulting from the targets, and the expected impact of the targets on vehicle safety, affordability, and availability;
 - 5.3 be satisfied that the targets are set at an appropriate level to increase the supply of zero- and low-emission vehicles in the market, and that the targets are consistent with transport-specific policies and strategies set out in the emissions reduction plan made under section 5ZG of the Climate Change Response Act 2002 for meeting the emissions budget set under that Act;
- 6 **noted** the advice of the Minister for Transport that these requirements have been met;
- 7 **authorised** the submission to the Executive Council of the Land Transport (Clean Vehicle Standard) Amendment Regulations 2024 [PCO 26533/6.0]

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters (Chair)
Hon Paul Goldsmith
Hon Judith Collins KC
Hon Casey Costello
Hon Nicole McKee
Hon Simon Watts
Hon Andrew Bayly
Hon Scott Simpson, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG
Prime Minister's Office



Cabinet

Minute of Decision

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Report of the Cabinet Legislation Committee: Period Ended 30 August 2024

On 2 September 2024, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 30 August 2024:

LEG-24-MIN-0167 **Land Transport (Clean Vehicle Standard) Amendment Regulations 2024** CONFIRMED
Portfolio: Transport

Out of Scope

PROACTIVELY RELEASED BY
MINISTRY OF TRANSPORT TE MANATU WAKA

Rachel Hayward
Secretary of the Cabinet