

OC240840

22 August 2024



Tēnā koe 

I refer to your email dated 25 July 2024, requesting the following under the Official Information Act 1982 (the Act):

“ All documents released in response to the following OIA requests: OC240783, OC240787, OC240812, OC240813

All correspondence with Ministers or their offices since 1 October 2023 regarding the impact of the Clean Car Standard (also referred to in official documents as the Clean Car Importer Standard, Clean Car Import Standard, and Clean Vehicle Standard), and any proposed amendments, on:

- *greenhouse gas emissions;*
- *NZ's ability to meet its emissions budgets, and more generally alignment with emissions reduction plans;*
- *the supply of zero and low-emission vehicles in the markets*

All correspondence with Ministers and their offices, relating to s167C(3) of the Land Transport Act 1998, since 1 October 2023”

We have interpreted ‘correspondence’ to include advice provided by the Ministry of Transport to the Minister of Transport or his office.

The following information falls within the scope of your request, and it’s detailed in the attached as Annex 1. The schedule outline how the information has been treated under the Act.

For your reference we have also attached at Annex 2, a list of documents that were within scope of the OIA requests [OC240783, OC240787, OC240812, OC240813] and were not

released (and therefore are not within scope of your OIA OC240940), and the reasons why that information was refused or withheld.

Certain information is refused under the following sections of the Act:

18(d) the information requested is or will soon be publicly available.

Certain information is withheld under the following sections of the Act:

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 interest that such information should continue to be supplied.
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

With regards to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Nick Paterson
Manager Environment

Annex 1. Information that is within the scope of this request (OC240840)

#	Document type	Title	Date	Treatment under the Act
OC240783: "Copies of any advice drafted or provided to the Minister of Transport on changes to the Clean Car Standard since 27 November 2023"				
OC240787: "All advice on the changes made to the Clean Car Standard announced on 9 July"				
1	Weekly Report	Clean Car Standard's 2025-2027 CO2 targets review	Week ending 2 February 2024	Released in full
2	Weekly Report	Update on issues related to the Clean Car Importer Standard	Week ending 1 March 2024	Released in full
3	Weekly Report	Cost Recovery for the Administration of the Clean Car Importer Standard	Week ending 8 March	Released with some information withheld under section 9(2)(f)(iv)
4	Weekly Report	Clean Car Importer Standard	As at Wednesday 10 April 2024	Released in full
5	Weekly Report	Review of the Clean Car Importer Standard (the standard)	As at Wednesday 17 April 2024	Released in full
6	Weekly Report	Clean Car Standard, engagement with Industry	As at Wednesday 24 April 2024	Released in full
7	Weekly Report	Review of the Clean Car Importer Standard (the standard)	As at Wednesday 8 May 2024	Released in full
8	Weekly Report	Review of the Clean Car Importer Standard (the Standard)	As at Wednesday 15 May 2024	Released in full
9	Weekly Report	Review of the Clean Car	As at Wednesday 22 May 2024	Released in full

#	Document type	Title	Date	Treatment under the Act
		Importer Standard (the standard)		
10	Weekly Report	Review of the Clean car Importer Standard (the standard)	As at Wednesday 29 May 2024	Released with some information withheld under section 9(2)(ba)(ii) and 9(2)(2)(f)(iv)
OC240813				
<i>"1. I would like copies of any advice or analysis between the Ministry of Transport representatives and representatives of these organisations where the Review of the Clean Car Standard was discussed"</i>				
11	Email	RE: Clean Car Standard review	25 January 2024	Released with some information withheld under section 9(2)(a)
12	PDF	VIA Clean Car Standard review <i>This is an attachment to document 1</i>	25 January 2024	Released with some information withheld under section 9 (2)(a)
13	Email	RE: Clean Car Standard Review	7 February 2024	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii) and 9(2) (ba)(i)
14	Email	Query Information for the purpose of CCS	20 February 2024	Released with some information withheld under section 9(2)(a)
15	Email	RE: Clean Car Standard Review meeting on proposed recommendations	4 April 2024	Released with some information withheld under 9(2)(a)
16	Letter	Comments from VIA Re advice to the Minister on the CCS <i>This is an attachment to document 15</i>	4 April 2024	Released with some information withheld under 9(2)(a)
17	Email	FW Proposed slope transition	23 April 2024	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii) and 9(ba)(i)

#	Document type	Title	Date	Treatment under the Act
		CONFIDENTIAL-MIA		
18	Email	RE_ Proposed slope transition - VIA	23 April 2024	Released with some information withheld under section 9(2)(a)
19	Email	RE: proposed slope transition **CONFIDENTIAL **- AA	26 April 2024	Released with some information withheld under 9(2)(a)
20	Email	MIA CCS review 2024 submission	1 May 2024	Released with some information withheld under sections 9(2)(a)
21	Email	RE: proposed slope transition **CONFIDENTIAL ** (MTA)	3 May 2024	Released with some information withheld under section 9(2)(a)
22	Email	Fw: input into our CO2 emissions modelling	16 May 2024	Released with some information withheld under section 9(2)(b)(ii) and 9(2)(ba)(i)
23	Email	Clarifying whether my restatement of MIA's information is correct	29 May 2024	Released with some information withheld under section 9(2)(a)
<i>"2. I would also like copies of minutes of any meeting between the Ministry of Transport representatives of these organisations where the Review of the Clean Car Standard was discussed"</i>				
24	Draft- notes	CCS workshop notes	19 April 2024	Released with some information withheld under 9(2)(ba)(i)
<i>"3. I request copies of any Ministry of Transport staff or its representatives' internal communications where these peak industry bodies' analysis or feedback into the Review of the Clean Car Standard is mentioned"</i>				
25	Email	RE: Proposed slope transition **CONFIDENTIAL **	23- 24 April 2024	Released with some information withheld 9(2)(a), 9(2)(b)(ii) and 9(2)(ba)(i)
26	Email	Proposed slope transition **CONFIDENTIAL **	23- 26 April 2024	Released with some information withheld 9(2)(a),9(2)(b)(ii) and 9(2) (ba)(i)
27	Email	RE: Could you please review the	26 April 2024	Released with some information withheld under section 9(2)(a)

#	Document type	Title	Date	Treatment under the Act
		new text on the transition to uniform targets		
30	Email	Safety – VIA position <i>This email contains an attachment document #17</i>	6 May 2024	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii) and 9(2)(ba)(i)
31	Email	Safety impacts on CO2 targets for RIS	6 May 2024	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii) and 9(2)(ba)(i)
<i>4. I would also request copies of any communications and minutes of meetings between Officials and the Minister's office where the Review of the Clean Car Standard is mentioned.</i>				
32	Weekly report -	Meeting with the Ministry of Transport - Monday 20 May 2024 Outcome of the review - Clean Car Importer Standard	As at Wednesday 22 May 2024.	Released in full
33	Email	RE: Clean Car Standard –	30 April 2024	Released with some information withheld under section 9(2)(a)
34	Email	The Australian targets have been considered by the Australian parliament faster than expected	17 May 2024	Released with some information withheld under section 9(2)(a)
35	Email	Legislation for the Clean Car review	18 May 2024	Released with some information withheld under section 9(2)(a)

#	Document type	Title	Date	Treatment under the Act
<p>OC240840</p> <p><i>"All correspondence with Ministers or their offices since 1 October 2023 regarding the impact of the Clean Car Standard (also referred to in official documents as the Clean Car Importer Standard, Clean Car Import Standard, and Clean Vehicle Standard), and any proposed amendments, on:</i></p> <ul style="list-style-type: none"> <i>• greenhouse gas emissions;</i> <i>• NZ's ability to meet its emissions budgets, and more generally alignment with emissions reduction plans;</i> <i>• the supply of zero and low-emission vehicles in the markets"</i> 				
36	PowerPoint - Presentation	Second emissions reduction Plan (ERP2) Development	16 Feb 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website
37	Briefing	OC231127 Meeting with Minister of Climate Change on ERP2	22 Feb 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
38	Briefing	OC240254 Transport ERP2 slide for the first Climate priorities ministerial group	14 Mar 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
39	Briefing	OC240255 Climate priorities Ministerial group	20 Mar 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website
40	Briefing	OC240291 Transport content for the second emissions reduction Plan (ERP2) Consultation document	27 Mar 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website
41	Briefing	OC240171 Transport content in the first emissions reductions plan (ERP1) and first national	17 Apr 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website

#	Document type	Title	Date	Treatment under the Act
		adaptation plan (NAP1)		
42	Aide Memoire	OC240566 Updated ERP2 Transport materials	29 May 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website
43	Briefing	OC240681 Minister of Climate Change meeting on the ERP2 Cabinet paper and discount document	21 Jun 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website
44	Briefing	OC240750 Meeting with Jo Hendy, Climate change commission Chief Executive	3 Jul 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website

Annex 2: Information that was within the scope of OIA request OC240783 - OC240787 - OC240812 - OC240813 and was not released

#	Document type	Document	Date	Treatment under the Act
1	Briefing	OC231156 Proposed timetable and approach for the 2024 Clean Car Standard's CO2 targets review.	19 January 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
2	Briefing	OC240160 Update on the work related to the Clean Car Standard.	6 March 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
3	Briefing	OC240279 Clean Car Importer Standard: Budget Night Legislation	25 March 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
4	Cabinet paper	OC240280 Clean Vehicle Standard	25 March 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
5	Cabinet paper	OC240400 Land Transport (Clean Vehicle Standard) Amendment Bill	15 May 2024	Refused under section 18(d) as the information requested is publicly available on the Ministry's website.
6	Briefing	OC240274 Outcome of the review of the Clean Car Importer Standard	15 May 2024	Refused under section 18(d) as the information requested is publicly available here
7	Cabinet paper	Outcome of the review of the Clean Car Importer Standard.	25 June 2024	Refused under section 18(d) as the information requested is publicly available here
8	RIS	Regulatory Impact Statement: Revising the Clean Car Importer Standard	25 June 2024	Refused under section 18(d) as the information requested is publicly available here
Emails				
9	Email	Title withheld	27 March 2024	Withheld in full under section 9(2)(h)

#	Document type	Document	Date	Treatment under the Act
10	Word document	Title withheld <i>This document is an attachment to document 9</i>	27 March 2024	Withheld in full under section 9(2)(h)
11	Email	RE: FOR DOM: Clean Vehicle Standard Amendment Bill – Leg Cabinet paper	24 – 29 April 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
12	Email chain	Update on Clean Car Standard Amendment Bill Cabinet paper and draft Bill <i>This email chain contains three attachments (Documents 13, 14 and 15)</i>	1 – 10 May 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
13	Draft Amendment Bill	Document: Land Transport (Clean Vehicle Standard) Amendment Bill -v5.0_Minister pdf <i>This document is an attachment to the email 'Update on Clean Car Standard Amendment Bill Cabinet paper and draft Bill' (document 12)</i>	1 May 2024	Withheld in full under section 9(2)(h)
14	Draft Cabinet paper	Land Transport (Clean Vehicle Standard) Amendment Bill- (PDF and word version) <i>This document is an attachment to the email 'Update on Clean Car Standard Amendment Bill Cabinet paper and draft Bill'</i>	1 May 2024	Refused in full under section 18(d) The final version of this Cabinet paper will soon be publicly available on the Ministry's website. While your request captures a draft version of the Cabinet paper, we believe the final version satisfies the public test an intension of the Act

#	Document type	Document	Date	Treatment under the Act
		<i>(document 12)</i>		
15	Draft Amendment Bill	Document: Land Transport Vehicle Standard Amendment v6.1_ consultation.pdf <i>This document is an attachment to the email 'Update on Clean Car Standard Amendment Bill Cabinet paper and draft Bill' (document 12)</i>	3 May 2024	Withheld in full under section 9(2)(h)
16	Email	For DOM: Land Transport (Clean Vehicle Standard) Amendment Bill- Cabinet paper for lodgement	15 May 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
17	Legislative Statement for the CCS	Legislative Statement for Clean Vehicle Standard Bill- First Reading (Final) (PDF and word version). <i>This document is an attachment to the email 'For DOM: Land Transport (Clean Vehicle Standard) Amendment Bill- Cabinet paper for lodgement' (document 16)</i>		Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
18	Departmental Disclosure Statement	Departmental Disclosure Statement (Final). (PDF and word version). <i>This document is an attachment to the email 'For DOM: Land Transport (Clean Vehicle Standard) Amendment Bill-</i>		Refused in full under section 18(d) as the document is publicly available here

#	Document type	Document	Date	Treatment under the Act
		<i>Cabinet paper for lodgement'</i> (document 16)		
19	Draft Cabinet paper	Land Transport (Clean Vehicle Standard) Amendment Bill- Cabinet paper (PDF and word version) <i>This document is an attachment to the email 'For DOM: Land Transport (Clean Vehicle Standard) Amendment Bill- Cabinet paper for lodgement'</i> (document 16)		Refused in full under section 18(d) as the final version of this Cabinet paper will soon be publicly available on the Ministry's website here While your request captures a draft version of the Cabinet paper, we believe the final version satisfies the public test an intension of the Act
20	Speaking notes	LEG Speaking Points (PDF and word version) <i>This document is an attachment to the email 'For DOM: Land Transport (Clean Vehicle Standard) Amendment Bill- Cabinet paper for lodgement'</i> (document 16)		Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
21	Email	"CCS Ministry Action from Officials"	21 June 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
22	Word document	Table explaining the CCS modelling. <i>This is an attachment to the email " CCS Ministry Action from Officials"</i> (document 21)	21 June 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
23	Email	Email: "Letter from Tesla – CCS review"	24 June 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.

#	Document type	Document	Date	Treatment under the Act
24	Letter	<p>"Tesla submission – NZ Clean Car Standard review"</p> <p><i>This is an attachment to doc the email "letter from Tesla – CCS review" (document 23)</i></p>	13 June 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website.
OC240812				
25	Briefing	OC240272 Outcome of the review of the Clean Car Importer Standard	15 May 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website here
OC240813				
26	Email	Title withheld	29 April 2024	Withheld entirely under section 9(2)(b)(ii) and 9(2)(ba)(i)
27	PDF Document	<p>Title withheld</p> <p><i>This is an attachment to document 26</i></p>	29 April 2024	Withheld entirely under section 9(2)(b)(ii) and 9(2)(ba)(i)
28	PDF document	<p>Title withheld</p> <p><i>This is an attachment to document 26</i></p>	29 April 2024	Withheld entirely under sections 9(2)(b)(ii) and 9(2)(ba)(i)
29	PDF document	Letter to Minister Brown & MoT- MIA CCS	1 May 2024	Withheld entirely under sections 9(2)(b)(ii) and 9(2)(ba)(i)
30	Email	<p>Title withheld</p> <p><i>This email contains and attachment that has been withheld</i></p>	22 April 2024	Withheld in full under sections 9(2)(b)(ii) and 9(ba)(i)
31	Email	Comments on MIA CCS feedback	29 April 2024	Withheld entirely under section 9(2)(b)(ii) and 9(2)(ba)(i)
32	Weekly report-	Meeting with the Ministry of Transport - Tuesday 23 January 2024 -	For the week ending 26 January 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website here

#	Document type	Document	Date	Treatment under the Act
		Clean Car Standard		
33	Weekly report	Meeting with the Ministry of Transport – Monday 17 June 2024 Clean Vehicle Standard	As at Wednesday 19 June 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website
34	Email	CCS- Ministry Action from Officials	21 June 2024	Refused under section 18(d) as the information requested is or will soon be publicly available on the Ministry's website

Weekly report for the weekend ending 2 February 2024:

Minister Brown	
Clean Car Standard's 2025–2027 CO2 target review	
<p>We have emailed the Imported Motor Vehicle Association (VIA), Motor Trade Association (MTA) and Motor Industry Association (MIA) seeking their feedback on whether the proposed timeline for the review will ensure that the vehicle industry has good visibility and lead-in time to inform its decisions. We will inform you of that feedback once it is received.</p> <p>We have had discussions with Australian officials from the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts. They advised that:</p> <ul style="list-style-type: none">• in March 2024 the Department will be publicly consulting on the Australian Government's options for annual CO2 targets, and• the intention is that legislation be passed this year to enable the Australian equivalent of the Clean Car Standard to be in effect from 2025. <p><i>Responsibility: Siobhan Routledge, Acting DCE, Policy Group</i></p>	<p>Next steps:</p> <p>Once you have confirmed the scope of the review, we will engage with the vehicle industry for their views on the best approach for the review and how they would like to be involved.</p> <p>We will incorporate the Australian draft targets into the options considered by the review once they become public.</p>

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Weekly report March. Week ending 1 March 2024

Briefings to Minister Brown – Other Priorities	Due date
<p>Update on issues related to the Clean Car Importer Standard</p> <p>Following engagement with the vehicle industry, this briefing will seek your decisions on the timeline and scope for the review of the Clean Car Importer Standard's targets. It also provides further information on aspects of the review, including the differences with the Australian proposal.</p> <p>The briefing will also include our initial advice on moving to a user pays approach for the Standard's administration.</p> <p><i>Responsibility: Siobhan Routledge, Acting DCE, Policy Group</i></p>	<p>Week ending 8 March 2024.</p>

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Weekly Report March. Week ending 8 March

Cost Recovery for the Administration of the Clean Car Importer Standard	
<p>Last week the Ministry provided you a briefing titled 'Update on Issues Related to the Clean Car Importer Standard'. This briefing contained information and recommendations with respect to moving to a cost recovery approach for the administration costs of Clean Car Importer Standard. After this briefing was provided to you, the Ministry and NZTA officials have been in further discussions on moving to a cost recovery approach. § 9(2)(1)(iv)</p> <p>[Redacted]</p> <ul style="list-style-type: none">• § 9(2)(1)(iv) [Redacted]■ [Redacted]■ [Redacted] <p>[Redacted]</p>	<p>Next steps:</p> <p>§ 9(2)(1)(iv) [Redacted]</p> <p>[Redacted]</p>
<p>Responsibility: Siobhan Routledge, Acting DCE, Policy Group</p>	

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Weekly report April. As at Wednesday 10 April 2024.

Project: Clean Car Importer Standard

Review of the Clean Car Importer Standard (the Standard)

We have completed our initial analysis on the achievability of the 2025–2027 targets and enhancements that could be made to the Standard’s flexibility measures. This analysis concludes that apart from the 2025 target for passenger vehicles (cars and SUVs), all the other 2025–2027 targets are too stringent and are unlikely to be achieved.

To ease the targets, we have developed a draft proposal to align the targets with the ones being progressed in Australia. This proposal includes setting targets out to 2029 consistent with the Australian proposal. It also makes three enhancements to the flexibility measures.

Consultation with the vehicle industry and the AA

We have sent our draft proposal to the Motor Industry Association, the Imported Motor Vehicle Industry Association, the Motor Trade Association, and the New Zealand Automobile Association for their feedback. A meeting has been arranged for 19 April 2024 to discuss their response.

Update on progress with the Australian fuel efficiency/CO2 standard

Legislation to introduce a fuel efficiency/CO2 standard was introduced into the Australian Parliament on 27 March 2024. This legislation envisages the Australian standard being in effect from 1 January 2025 with targets set to 2029. The key change made to the Australian proposal, following public consultation, was to ease the targets for light commercial vehicles. This adjustment was done to reflect changes to the US standard and to compensate for the Australian standard not providing technology credits. Internationally these credits have the effect of weakening the stringency of CO2 targets.

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Weekly report April. As at Wednesday 17 April 2024.

Project: Clean Car Importer Standard

Review of the Clean Car Importer Standard (the Standard)

We have completed our initial analysis on the achievability of the 2025–2027 targets and enhancements that could be made to the Standard’s flexibility measures. This analysis concludes that apart from the 2025 target for passenger vehicles (cars and SUVs), all the other 2025–2027 targets are too stringent and are unlikely to be achieved.

To ease the targets, we have developed a draft proposal to align the targets with the ones being progressed in Australia. This proposal includes setting targets out to 2029 consistent with the Australian proposal. It also makes three enhancements to the flexibility measures.

Consultation with the vehicle industry and the AA

We have sent our draft proposal to the Motor Industry Association, the Imported Motor Vehicle Industry Association, the Motor Trade Association, and the New Zealand Automobile Association for their feedback. A meeting has been arranged for 19 April 2024 to discuss their response.

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Weekly report April. As at Wednesday 24 April 2024.

Policy Group
Clean Car Standard, engagement with industry Environment
Officials met with the Motor Industry Association (MIA), the Imported Motor Vehicle Industry Association (VIA), the Motor Trade Association, and the Automobile Association on Friday 19 April 2024 to get their feedback on our draft proposals. s 9(2)(ba)(i)
[Redacted content]

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Weekly report May. As at Wednesday 8 May 2024.

Project: Clean Car Importer Standard	
Review of the Clean Car Importer Standard (the Standard) Following analysis of industry feedback, this briefing will set out our advice on the review of the Clean Car Importer Standard, including targets and flexibility arrangements. Following your feedback on this advice, we will move to drafting a Cabinet paper for consideration in June 2024.	
Briefing: The review of the Clean Car Importer Standard	Date: Wednesday 15 May 2024

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Weekly report May. As at Wednesday 15 May 2024.

Project: Clean Car Importer Standard	
Review of the Clean Car Importer Standard (the Standard)	
We have provided you a briefing setting out our advice on the review of the Clean Car Importer Standard's targets and flexibility measures. Following your feedback on this advice, we will draft a Cabinet paper for consideration in July 2024.	
Cabinet Paper: Outcome of the review of the Clean Car Importer Standard	To Lodge: 18 July 2024 To Committee: 24 July 2024 To Cabinet: 29 July 2024

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Annex 8. Weekly report May. As at Wednesday 22 May 2022.

Project: Clean Car Importer Standard	
Review of the Clean Car Importer Standard (the Standard)	
Following your feedback on our advice on the review of the Clean Car Importer Standard's targets and flexibility measures, we are drafting a Cabinet paper and regulatory impact statement for consideration by ECO on 26 June 2024. This is the earliest possible date for Cabinet decisions, and we will get a draft Cabinet paper to you in the week starting 27 May. We are also working on a draft regulatory impact statement that will be provided in the following week.	
Cabinet Paper: Outcome of the review of the Clean Car Importer Standard	To Minister: 29 May 2024 To Lodge: 20 June 2024 To Committee: 26 June 2024 To Cabinet: 1 July 2024

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Annex 9. As at Wednesday 29 May 2024

Project: Clean Car Importer Standard	
Review of the Clean Car Importer Standard (the Standard)	
§ 9(2)(ba)(ii), § 9(2)(f)(iv)	
Departmental consultation has commenced. We intend to provide the draft regulatory impact statement by 5 June 2024 and the updated cabinet paper by 7 June.	
Cabinet Paper: Outcome of the review of the Clean Car Importer Standard	To Lodge: Thursday 13 June 2024 To Committee: Wednesday 19 June 2024 To Cabinet: Friday 24 June 2024

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From: Greig Epps ^{s 9(2)(a)}
Sent: Thursday, January 25, 2024 4:12 PM
To: Siobhan Routledge <S.Routledge@transport.govt.nz>
Cc: Nick Paterson <N.Paterson@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>
Subject: RE: Clean Car Standard review

Siobhan and team,

To help with your preparations for the review, I attach a brief paper from VIA with our preliminary view on matters that could be considered in the review.

We look forward to talking about these issues.

Regards
Greig

MINISTRY OF TRANSPORT

Wellington (Head Office) | Ground Floor, 3 Queens Wharf | PO Box 3175 | Wellington 6011 | NEW ZEALAND | Tel: +64 4 439 9000 |

Auckland | NZ Government Auckland Policy Office | 45 Queen Street | PO Box 106238 | Auckland City | Auckland 1143 | NEW ZEALAND | Tel: +64 4 439 9000 |

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25 January 2024

Hon Simeon Brown
Minister of Transport
Parliament Buildings
Wellington

By Email: simeon.brown@parliament.govt.nz
CC: brian.anderton@parliament.govt.nz

Dear Minister,

Review of the Clean Car Standard

During the 2023 General Election, the National Party indicated a desire to bring forward a review of the Clean Car Standard. VIA¹ welcomes such an action and we would appreciate the opportunity to provide input into any review of the Clean Car Standard.

We note, first, the wider programme of policy initiatives before providing our views on the Standard.

Clean Car Programme

The **Clean Car Programme** has three planks focused on reducing greenhouse gas emissions (GHG):

- the Clean Car Upgrade (CCU);
- the Clean Car Discount (CCD); and
- the Clean Car Standard (CCS).

The **CCU** was a proposal to introduce a scrappage scheme. This policy work has been discontinued by the government for various reasons. VIA thinks a key reason for the policy failure was the attempted use of the CCU to address inequities created by the CCD and CCS, rather than maintaining a focus on how the scheme could remove high polluting and unsafe vehicles from the fleet. VIA would like to see this work renewed as it may provide a solution to some of the future challenges we face with the CCS, but any renewal needs more emphasis placed on achieving the goal of fleet transformation.

The **CCD** was intended as a cost-neutral programme to provide a rebate on purchases of electrified (and other low emission technology) vehicles to incentivise consumers to make that choice and charges a fee on higher emitting vehicles to discourage that choice. The first iteration of the programme has failed to remain cost neutral even though it succeeded in promoting an increased uptake of low/zero carbon vehicles. Your government has now discontinued the CCD and so this document accommodates that change and focuses on the CCS.

The **CCS** is a policy that allocates credits and imposes penalties on the importer of a vehicle depending on the weight-adjusted carbon emissions per km for that vehicle. Under its implementing legislation, the CCS is due for a review by the middle of 2024. We welcome an earlier review.

¹ VIA is the Imported Motor Vehicle Industry Association Inc, which represent businesses involved in the supply chain and retailing of vehicles that have been independently imported from other jurisdictions.

VIA's Concerns about the Programme

VIA acknowledges the importance of addressing greenhouse gas (GHG) emissions and supports effective carbon reduction policies in the transportation sector. However, VIA expresses reservations regarding the philosophical foundations and implementation of the Clean Car Programme and suggests modifications to improve its effectiveness and fairness.

Philosophical Reservations:

- **Logic Concerns:** VIA raises concerns about a policy that penalizes light, low-polluting vehicles more per unit of emissions than heavy, high-polluting vehicles. The weight-adjustment put on the price of carbon demonstrably encourages the **importation** of heavier vehicles, leading to unintended consequences and a potential increase in the overall mass of vehicles in the fleet and a resulting requirement for more energy to drive those vehicles (as either fuel burned, or electricity drawn from the grid).
- **Behaviour Targeting:** VIA argues that the primary source of emissions is the act of driving, not the vehicles themselves; owning a vehicle says nothing about the amount that vehicle is used. Instead of targeting vehicles, the focus should be on influencing consumer behaviour at the point of purchasing GHG producing fuels, addressing the root cause of emissions directly.
- **Equity Issues:** The Clean Car Programme might worsen economic disparities. More efficient cars, typically more expensive, benefit those who can afford them, subsidized by those who cannot. This results in inequity within the program.
- **Misleading Terminology:** Contrary to how the programme is conveyed and how the terms within the programme are used, at no point does the Clean Car Programme have anything to do with paying for actual carbon emissions. It is not a carbon trading scheme. It is a programme designed to incentivise weight-adjusted vehicle efficiency in a way that allows relatively higher emissions from heavier vehicles. The programme, and discussion around it, should reflect this to avoid misinformation and misunderstandings.

Implementation Reservations:

- **Focus on the vehicle:** Currently, whether a vehicle receives new or used entry compliance treatment is based on the nature of the importer, not on the vehicle's characteristics. This creates unfair advantages for some organisations and may hamper competition.

Counterproductive Aspects:

- **Poor implementation:** Issues arose early in the implementation of the programme, which have led to a decline in trust from both the industry and the public.
- **Financial Challenges:** Without modification, by the end of this decade, the programme is expected to impose significant financial pressure on all car buyers due to penalties on all vehicles except EVs and extremely low emitting PHEVs. This is how it was designed and intended to apply, but it assumes a supply of vehicles that we can already see cannot be realised. This may lead to increased costs as there will be insufficient Clean Car Standard credits to offset penalties, potentially making the program simply a general tax rather than an incentive.
- **Incentivizing Energy Hungry EVs:** The program's subsidies for heavier EVs might incentivize more energy hungry options, exacerbating infrastructure challenges (charging, general network supply) as the transition to universal electrification occurs.

In summary, VIA recognizes the necessity of reducing emissions but highlights key reservations and proposes adjustments to make the Clean Car Programme more effective and fairer.

VIA's suggestions

This document sets out:

- the issues that VIA has identified with the CCS,
- why these elements are an issue, and
- how VIA thinks that issue should be addressed in any review of the CCS.

This document has been shared with other key industry stakeholders including the Motor Industry Association (MIA) and the Motor Trade Association (MTA) for their information. While there are several revisions that all organisations would agree on, we recognise that our different associations (with differing memberships) will not agree on all the positions set out here. This is why it is important that the Government establish a robust framework for engaging with industry on policy design to understand the myriad viewpoints on the details.

A key concern for VIA is that the original approach to the CCS was not informed by an understanding of the realities of the existing source stock for used vehicle imports, nor the pathway for new vehicles coming into New Zealand. Our country is a “taker” of technology, and it is simply not viable for us to implement policy that seeks to put us ahead of benchmarks in our source markets for vehicles (both new and used).

The VIA approach aims to ensure that the Clean Car Programme achieves its emissions reduction objectives while addressing concerns related to equity, competitiveness, and the practicality of implementation, ultimately working towards a cleaner and more sustainable transportation system.

Pragmatic, realistic

We are attempting to bring pragmatism and realism to the conversation:

- Many New Zealanders cannot afford new vehicles and rely upon the importation of quality used vehicles to update and upgrade their vehicles at an affordable price.
- Current estimates are that the proportion of EVs made globally in 2030 will only reach 36%.
- This means that over 60% of new vehicles in 2030 will be some form of ICE vehicle (including petrol hybrids) and will be in the fleet for up to 20 years.
- Our main market for used vehicles (Japan) has been slow to introduce BEVs to its fleet, and so there is a small future pool of these vehicles for the used market. With many other nations seeking to reduce carbon emissions, that small pool will be a target for many other countries competing in those used vehicle auctions.

Maintaining Ambition:

Even with the changes recommended below, VIA is loath to argue for a reduction in the ambition of efforts to decarbonize transport.

Several of our suggestions, such as removing the weighted average should result in an even greater pressure to reduce GHGs across the fleet.

Other options, such as the introduction of additional pathways to acquire credits, would potentially reduce the burden on importers, but introduce options for the industry to earn credits through GHG reductions. Every credit should be earned by contributing to the overarching goal of emissions reduction and environmental sustainability.

The following table lists VIA's "Key Issues", being those issues that can be quickly and simply addressed in the Clean Car Standard instruments.

Key Issues	Reason	Suggested change	Comments
Trading of Carbon Credits between "new" and "used".	<ul style="list-style-type: none"> It is the vehicle that is assessed for standards and emissions, not the importer. Any legal entity can import new, used, or both categories of vehicles and thus receive clean car credits for qualifying vehicles. Originally, the rate of penalisation was variable between new and used vehicles. In a recent change, the 'value' of credits has been standardised at a 1:2 ratio, so 1 <i>new</i> credit is worth 2 <i>used</i> credits, removing the rationale to preclude trading between new and used. Importers should be allowed to exchange clean car credits between so-called 'new' and 'used' CCS accounts. 	<ul style="list-style-type: none"> Allow the exchange of credits (at a 1:2 ratio) between importers. 	<ul style="list-style-type: none"> A harmonised approach to credit trading like this would allow importers, who gain credits from bringing in predominantly low emission used vehicles, to receive real value for those credits by enabling credit trading with any other importer. This also allows importers who bring in both new and used vehicles to pool their credits across the two categories and simplify trading for them. This change will also benefit the importers of low-to-no emission vehicles as it will broaden potential trading partners.
Imbalance caused by CCS weight adjustment	<ul style="list-style-type: none"> This adjustment is supposed to place equally fair pressure on all market participants and prevent over-penalising heavy vehicles (which emit more CO₂ than lighter vehicles). However, this mechanism simply results in importers of lighter and lower-emitting vehicles subsidising the importation of heavier, higher-emitting vehicles. If we are trying to influence supply and demand, then the target CO₂ for a vehicle should reflect the design and real-world impact of that vehicle. 	<ul style="list-style-type: none"> Eliminate the weight adjustment in determining CCS targets. This allows the target and associated penalties under the CCS to be more accurately calculated with reference to the real-world emissions impact of a vehicle. 	<ul style="list-style-type: none"> The type of car that a consumer chooses is one factor of what this programme should be trying to influence. The weight adjustment nullifies this influence and thus does not encourage buyers to look for vehicles that actually have lower emissions. Helping people realise (through accurate imposition of penalties) that a smaller, lower-emitting car will work for them <i>is</i> the behaviour change the legislation should be trying to achieve.

Key Issues	Reason	Suggested change	Comments
<i>Reasonable exemption for mobility adapted vehicles</i>	<ul style="list-style-type: none"> The importation of near new and used vehicles that are already modified or ready for adaption for disabled New Zealanders provides a massive social benefit. Due to the engineering requirements being focused on the safe installation of special equipment, these vehicles may not always meet the carbon standards being set for New Zealand. The small impact on carbon levels from these vehicles is far outweighed by the social good delivered to Kiwis in providing them with mobility options. 	<ul style="list-style-type: none"> Work with industry to adopt a reasonable exemption for mobility assistance vehicles, like the exemption in the recently updated exhaust emission rules. 	<ul style="list-style-type: none"> This creates alignment across vehicle import standards.
<i>Reasonable exemption for immigrants' and returning expat vehicles</i>	<ul style="list-style-type: none"> Some immigrants to New Zealand bring their own vehicles. The small impact on carbon levels from these vehicles is far outweighed by the social good of allowing immigrants to retain familiar mobility options. 	<ul style="list-style-type: none"> Work with industry to adopt a reasonable exemption for immigrant vehicles, like the exemption that currently exists in most standards for immigrants' vehicles. 	<ul style="list-style-type: none"> This creates alignment across vehicle import standards.
<i>Align border check treatment with Exhaust Emissions Rule.</i>	<ul style="list-style-type: none"> It is confusing to have regulations applying standards and criteria on the same vehicle but at different times in the process. The Exhaust Emissions Rule pragmatically recognises that the import process takes time to deliver vehicles ordered from overseas markets. While in transit, vehicle standards may have transitioned to different levels and by the time the vehicle lands in New Zealand the criteria against which a purchase decision was made may no longer apply. 	<ul style="list-style-type: none"> Align the CCS with the Exhaust Emissions Rule in terms of timing and application of requirements. <ul style="list-style-type: none"> Apply the CCS rules that were in effect at the time of Border Check (if within 4 months). If Entry Certified more than 4 months after Border Check, the vehicle is subject to current rule. 	<ul style="list-style-type: none"> As with the Exhaust Emission Rule, this would give importers 4 months from border check in source jurisdiction to get the vehicle to New Zealand and through entry certification. This change gives importers more certainty that minor shipping delays or grouping vehicles for logistical reasons will not lead to vehicles becoming commercial unviable.

Key Issues	Reason	Suggested change	Comments
Introduction of a discretionary Exemption Process	<ul style="list-style-type: none"> Some shipping delays are outside the ability of goods importers to control. These delays could coincide with an update in the CCS to a tighter set of requirements. If this occurs, the industry should have some ability to petition the regulator to delay the implementation of the rule changes for the vehicles affected. The current implementation of the Clean Car Programme does not provide this capability to the regulator or even to the relevant Minister. 	<ul style="list-style-type: none"> Add a formal process industry can use to request an exemption for various aspects of the Clean Car Programme. 	<ul style="list-style-type: none"> We understand that these exemptions would be done at the discretion of government, either the regulator or the Minister, or both. We also understand that the industry would be required to make the case for and provide sufficient evidence to prove that the exemption is warranted.
Access to “New” and “Used” credits (and penalties).	<ul style="list-style-type: none"> Currently, a vehicle is “used” if it has been registered previously in another jurisdiction regardless of the vehicle characteristics (e.g., kilometres travelled and age). This stifles the opportunity for an importer to purchase vehicles new (i.e., from a brand dealer) in another jurisdiction and ship these to New Zealand. One of the rationales for the CCS credits and penalties regime is to account for the remaining useful life of a vehicle – i.e., a ‘new’ car is assumed to remain in the fleet longer than a ‘used vehicle’². It would be cumbersome to define a gradient or spectrum of “used”, but “like new” is more easily defined. 	<ul style="list-style-type: none"> Work with industry to create a set of vehicle-related criteria that would demonstrate if a vehicle were “new” or “like-new”. For the purposes of CCS, recognise vehicles that are functionally “new” by setting criteria that defines “new” in terms of the condition of the vehicle for: <ul style="list-style-type: none"> vehicle age, low kilometres, “like-new” condition (as certified by an independent inspector). 	<ul style="list-style-type: none"> Consumers will consider a vehicle under a certain age (eg 1 year) and with low kilometres (eg less than 500km) as essentially a “new” (or ‘near new’) vehicle. NZTA rules currently only recognise a vehicle as a “parallel import” if it has been supplied by the OEM through a non-regular channel. This is contrary to general commercial practices where the OEM is generally unaware or agnostic to the import of their product.

² Based on the current trend in NZ for vehicles to be de-registered (i.e., scrapped or removed) from the fleet between 20-22 years old. A used vehicle with an average age of 9-10 years will have less time in the fleet (to provide benefit [credit] or harm [penalty]).

Key Issues	Reason	Suggested change	Comments
<p><i>Alternate paths for earning credits</i></p>	<ul style="list-style-type: none"> • The targets for the CCS do not align with the availability of low emission vehicles. • This supply issue is outside of our control as it is a result of the wider international market. • This will lead to increased penalties with none of the offsets the programme assumes being available, which will be realised as general vehicle price increases. • Thus, we should examine alternative pathways for earning credits that could be used as offsets. 	<ul style="list-style-type: none"> • Work with industry to explore alternate paths for credit acquisition. 	<ul style="list-style-type: none"> • We recognise that simply aligning the target to supply will effectively be reducing the ambition of the programme. • While the lack of supply is the main issue for importers, the biggest problem for New Zealanders will be the knock-on effect caused by the excessive penalties and the lack of credits to offset those penalties. • An alternate solution is to develop additional ways for the industry to acquire credits. • One idea VIA has previously proposed is a scrappage scheme that awards credits based upon the CO₂ emissions of the vehicle scrapped.
<p><i>Alignment of targets with vehicle supply</i></p>	<ul style="list-style-type: none"> • These targets, especially from 2026 onwards are unrealistic and do not align with what is being made at this time in our source markets. • For used vehicles, the Japanese market has been slow to adopt EVs and so there is a very small pool of these vehicles being made available at auctions. 	<ul style="list-style-type: none"> • Align targets to what is being achieved by global markets. • Adjust targets to align with the best of the vehicles expected to be available at volume. 	<ul style="list-style-type: none"> • We recognise that simply aligning the target to supply will effectively reduce the ambition of the CCS. • Lack of supply is the main issue for importers, but the problem for all New Zealanders will be the knock-on cost caused by the excessive penalties (premised on the expectation that there would be a supply of EVs to allow choice). • While EV sales numbers look impressive as percentages ('large' movements from small baselines), the necessary level of EVs have not eventuated. • Thus, we advocate for creating alternate sources of credits.

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Key Issues	Reason	Suggested change	Comments
Carbon emission target timeframe	<ul style="list-style-type: none"> As noted above, we are a taker of technology, and the current approach sets a timeframe where emission targets quickly become almost impossible to meet. Our global source markets still lag achieving these same levels of reduction. This means that vehicles to meet those extreme targets will simply not be available (if they exist at all). 	<ul style="list-style-type: none"> Align the timeframe for targets to match what is achieved overseas. Add a realistic buffer timeframe for those benefits to become available in NZ (eg. +3 years or similar). 	<ul style="list-style-type: none"> As above³.
Exclusion for classic and collector vehicles already into the country	<ul style="list-style-type: none"> Classic and collectible vehicles have been imported into New Zealand prior to the implementation of the CCS with the intent of registering them once they are over 20-years of age. 	<ul style="list-style-type: none"> Vehicles that have gone through a border check before the implementation of the programme should be added to the list of exemptions. 	<ul style="list-style-type: none"> A broader general 20-year exemption is inappropriate for the CCS as it will incentivise the import of these often more emitting vehicles, but vehicles already imported should be exempt.

Thank you again for your invitation to contribute to this review. We look forward to working with your officials on this matter.

Yours sincerely,



Greig Epps
Chief Executive

s 9(2)(a)

³ Thus, our recommendation above to explore alternative ways to acquire credits, which would help mitigate the risks caused by these extreme timeframes.

From: s 9(2)(ba)(i)
Sent: Wednesday, February 7, 2024 2:56 PM
To: Siobhan Routledge <S.Routledge@transport.govt.nz>
Cc: Nick Paterson <N.Paterson@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>
Subject: RE: Clean Car Standard review

Kia ora Siobhan,

Thank you for your email and for the opportunity to share important Industry feedback about the Clean Car Importer Standard Review timing.

[REDACTED], I have consulted with all MIA members s 9(2)(b)(ii), s 9(2)(ba)(i)

Whilst some have slightly shorter and others longer product ordering lead times, the overwhelming majority of MIA members gave feedback asking for the following:

- Strong desire, support, and commitment to get this review underway now (with urgency) with the goal to complete as soon as possible.
- s 9(2)(b)(ii), s 9(2)(ba)(i)
- On this basis, Industry request timing of the necessary cabinet decision (on all changes to the 2025 - 2027 targets) no later than 30 June 2024.
- The absolute minimum amount of time industry needs to be able to mitigate business risks and urgently adapt and change some product ordering is 6 months' notice of any change in the 2025 CCS Co2 target.

Reasons for this request:

- 31 July suggested deadline is considered too late to enable Industry to adapt, change and meet/deliver.
- s 9(2)(b)(ii), s 9(2)(ba)(i)
- If Industry doesn't have certainty about the outcome of the target review and the resulting targets that need to be achieved for the 2025, 2026 and 2027 calendar years, they will not have adequate time to adapt and adjust their product orders to manage the change.
- Most MIA Members are currently very concerned about the impact the removal of CCD will have on their ability to deliver/meet their 2024 CCS Co2 targets. That concern amplifies when existing (legislated) tougher 2025 targets are considered.
- Industry is still working their way through the impact/(s) that removal of the CCD will have on their businesses. They are all trying to adjust and pivot to balance demand, existing

stock, fixed 2024 product deliveries/arrivals and less control over product and retail mix outcomes to achieve 2024 Co2 target achievement (or balancing the financial consequences of non-achievement).

- If adequate notice of any change/(s) to CCS targets (specifically for the 2025 year) is not planned for and delivered it will cause significant and complex consequences for MIA members, that they may not be able to mitigate or adequately adapt to in time.
- It is for these reasons an adequate minimum notice period of changes to CCS targets is currently considered to be 6 calendar months' notice and why the MIA now requests (on behalf of Industry) to pull forward the proposed timing.

Final Comments:

- The MIA is currently undertaking considerable data analysis (with consultants and our members) to help inform this upcoming CCS review. From our perspective this is the single biggest project and highest priority for the light vehicle new Industry for 2024.
- Our membership has expressed a strong desire to assist officials where necessary to ensure the CCS targets review is a success.
- The MIA is committed to working collaboratively and closely with yourself, Nick, Gaylene, and the wider Ministry of Transport team with the goal to complete a quality robust data led review, as quickly as we can.

I both welcome and look forward to the suggested upcoming meeting with Nick Paterson to further discuss and agree the best approach for the review. Further, on behalf of the new vehicle industry, we thank you for the opportunity to contribute our feedback.

Kind regards,

s 9(2)(ba)(i)

[Redacted signature block]

[Redacted contact information]

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Hi Nick and Gaylene,

I hope you are both well and keeping warm. It's feeling more like a chilly autumn day today in Wellington (I am personally hoping it's not a sign that summer is coming to an end so soon)!

I have a request for you about information for the purpose of CCS formulas. As I've previously indicated, the MIA has commenced and is currently undertaking a comprehensive data, forecasting and analysis project (with our light vehicle membership). The outputs from this will form the MIA Industry position/(s) and feedback for the upcoming CCS target review. (I can talk to this further when we meet on Thursday if required).

For the MIA to continue pushing forward now, we need to some further information pertaining to CCS formula calculations from 2025 onwards.

Specifically, Land Transport (Clean Vehicle Standard) Regulations 2022 - 9 (2) (b) Reference Period; and 3 (b) Arithmetic mean weight; and 4 (b) slope of the limit line.

9 Information for purposes of formulas

- (1) Subclauses (2) to (6) apply for the purposes of the formulas in [regulation 10](#).
- (2) The reference period means,—
- (a) for the 2023 and 2024 obligation years, the period from 1 January 2019 to 31 December 2020; and
 - (b) for the 2025 and 2026 obligation years, the period from 1 January to 31 December 2023; and
 - (c) for the 2027 obligation year and every second obligation year that follows, the period from 1 January to 31 December of the year that is 2 years before the relevant obligation year; and
 - (d) for the 2028 obligation year and every second obligation year that follows, the period from 1 January to 31 December of the year that is 3 years before the relevant obligation year.
- (3) The arithmetic mean weight,—
- (a) for the reference period in subclause (2)(a), is—
 - (i) 1,441 kg for Type A vehicles; and
 - (ii) 1,999 kg for Type B vehicles; and
 - (b) for the reference period in subclause (2)(b) to (d), must be—
 - (i) calculated for all Type A vehicles and for all Type B vehicles; and
 - (ii) published in the *Gazette* by the Minister not later than 8 months before the commencement of the applicable reference period.
- (4) The slope of the limit line,—
- (a) for the reference period in subclause (2)(a), is—
 - (i) 0.0841 for Type A vehicles; and
 - (ii) 0.0576 for Type B vehicles; and
 - (b) for the reference periods in subclause (2)(b) to (d), must be—
 - (i) determined in accordance with subclause (5); and
 - (ii) published in the *Gazette* by the Minister not later than 8 months before the commencement of the applicable reference period.

Are you able to provide information we can use to inform our analysis and modelling about reference period data; arithmetic mean weight; and slope of the limit line for 2025 onwards?

I realise this may not yet be complete/finalised, but a preliminary/draft indication would be incredibly helpful now to keep this moving. Further, if the info you give is still in preliminary/draft state, could you please indicate likely timing for this to be finalised and published in the *Gazette*? We'll need to be sure to build in a formal update process from preliminary/draft to final/published information.

Thanks in advance for your assistance with this.

Kind regards,

Aimee Wiley
Chief Executive Officer, Motor Industry Association

s 9(2)(a) www.mia.org.nz | MIA Office, Moore Design Building @ 417 Cuba Street, Alicetown, Lower Hutt, Wellington.



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From: Kit Wilkerson [s 9\(2\)\(a\)](#)
Sent: Thursday, April 4, 2024 1:28 PM
To: Gayelene Wright <g.wright@transport.govt.nz>
Cc: Greig Epps [s 9\(2\)\(a\)](#)
Subject: RE: Clean Car Standard Review meeting on proposed recommendations

Hi Gaylene,

Attached is VIA's feedback.

Please feel free to contact me with any questions.

Best Regards,

Kit Wilkerson

Head of Policy and Strategy



Imported Motor Vehicle Industry Association

Phone: [s 9\(2\)\(a\)](#) Web: www.via.org.nz
Email: [s 9\(2\)\(a\)](#)

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04 April 2024

RE: VIA's Response to the proposed advice to the Minister regarding changes to the Clean Car Standard

Dear Gaylene,

On behalf of the Imported Motor Vehicle Industry Association (VIA), we appreciate the opportunity to contribute to the discourse surrounding the review of the Clean Car Standard (CCS). Our submission aims to present feedback on behalf of the used car importation industry on the proposed policy advice to the Minister. Our comments reflect our support, concerns, and recommendations for a more sustainable and effective CCS.

We generally agree with the proposed adjustments to the CCS concerning passenger vehicles.

Historically, the CCS has utilized weight-adjusted CO₂ targets, effectively setting higher emission reduction targets for heavier vehicles. This method, while intended to foster a reduction in greenhouse gas (GHG) emissions across the range of available vehicle, inadvertently overlooks the potential of vehicle lightweighting as a viable strategy for emission reduction. Lighter vehicles inherently require less energy for operation, directly influencing fuel consumption and material usage during manufacturing, thus presenting a significant opportunity for CO₂ emission reduction.

It is encouraging to note the Ministry's acknowledgment that the weight-adjusted average for passenger vehicles may no longer be relevant, leading to the recommendation for its removal.

However, it's essential to highlight that the Ministry's rationale leading to this conclusion differs from the argument we are making. The primary goal of the CCS should be the unequivocal reduction of GHG emissions, not merely improving efficiency per kilogram of vehicle mass.

Recent evidence, including a study¹ by the European Court of Auditors reviewing the efficacy of the CCS equivalent programme in the EU, underscores the limited effectiveness of the current CCS framework in achieving genuine GHG reductions. They conclude that:

"Technological progress in terms of engine efficiency is outweighed by increased vehicle mass (about +10 % on average) and more powerful engines (+25 % on average)."

Similarly, another recent report² from the EPA in the US highlighted the impact of their own regulations since 2012 resulting in similar findings:

"While the light-duty GHG program has achieved significant emissions reductions over the past decade, EPA witnessed underperformance of achieved tailpipe GHG emissions rates

¹ [news-sr-2024-01 | European Court of Auditors \(europa.eu\)](#)

² [Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles - Regulatory Impact Analysis \(EPA-420-R-24-004, March 2024\)](#)



compared to those that were originally projected. This underperformance can be attributed to the market shift towards SUVs and trucks, as well as a modest increase in average vehicle size.”

Despite advancements in efficiency per kilogram, tangible reductions in GHG emissions from internal combustion engine vehicles have either not occurred or have been less than expected. The reductions that have occurred are predominantly due to the adoption of electric vehicles (EVs). The increasing mass and power of internal combustion engine vehicles since these standards have come into effect have negated potential GHG reductions.

This trend of increased mass and power mentioned as the primary failure in both reports can also be observed in New Zealand's new car sector since the introduction of the CCS, suggesting that without a shift in focus to address the issue, the CCS will fail to deliver its intended environmental benefits. The design of the

VIA proposes a reorientation of the CCS towards prioritizing absolute efficiency (grams of CO2 per kilometre) irrespective of vehicle mass. This approach not only aligns with the ultimate objective of reducing GHG emissions but also encourages the adoption of vehicles that meet users' needs without unnecessary increases in mass and power.

Since the introduction of the CCS, the used vehicle industry in New Zealand has seen different results, a reduction in the average mass of vehicles imported. This illustrates that increased mass and power are not inevitable and shows the feasibility and benefits of shifting the CCS to be a more effective driver of GHG reduction.

The argument we make for removing the weighted average and focusing instead on actual efficiency (not efficiency per kg of vehicle weight) in the passenger fleet is equally valid for light commercial vehicles. Maintaining a weight-adjusted average for light commercial vehicles, particularly in a segment with limited EV options, will lead to heavier vehicles and prevent GHG reductions.

VIA supports the Ministry's advice to eliminate the weight-adjusted average for passenger vehicles and urges a similar treatment for commercial vehicles. This will ensure the CCS fulfils its essential purpose - driving meaningful reductions in GHG emissions across the automotive sector.

In addition to shifting the focus of the CCS to vehicle efficiency without regard for the vehicle mass in both the passenger and commercial fleet, VIA recommends that the CCS requirements be applied based upon border check date. Applying the CCS from the date of border check will offer substantial improvements in terms of cost certainty and overall industry robustness.

While we recognise the continued necessity to confirm vehicle properties at entry certification, the government should utilise a trust but verify principle allowing industry to “get on with business”. Importers will still be required to pay their penalties before vehicles can be registered, but those penalties should be based upon the date the vehicle was border checked, not when it was added to the CCS system or when it went through entry certification.

This proposed change is underpinned by several key rationales:



Improved Cost Certainty: The interval between purchasing a vehicle in its source jurisdiction and its entry compliance in New Zealand is fraught with unpredictability. Delays can arise due to a myriad of reasons, including necessary vehicle repairs requiring specific parts or logistical challenges in shipping. There are also skills shortages in the inspection and certification sector that can delay the final compliance of a vehicle. Such delays, often beyond the control of the industry, introduce significant uncertainty regarding the final costs associated with compliance under the CCS. Applying the CCS from border check would markedly enhance the predictability of these costs, benefiting both the industry and consumers by enabling more accurate pricing and cost management from an earlier stage.

Enhanced Industry Robustness: The suggested shift to border check application would contribute significantly to the robustness of the vehicle import sector. By ensuring that the CCS criteria are considered at an earlier point in the importation process, businesses can make more informed decisions and adjustments, mitigating the risk of unforeseen compliance costs. This early application supports a smoother transition for vehicles into the New Zealand market, fostering a more stable and resilient industry.

Uniformity of Standards and Regulations: VIA has previously argued, and the government has agreed, that new emission rules should apply from the point of border check rather than entry certification. This change was advocated for reasons identical to those presented here: enhancing predictability, reducing administrative burdens, and simplifying the compliance process for all stakeholders. Consistency in the application of automotive regulations, including the CCS, from border check would streamline processes, reduce complexity, and align with international best practices, thereby reinforcing the efficiency and effectiveness of New Zealand's vehicle import regulations.

Moving forward, VIA will continue to argue that all regulations and standards should adopt a uniform approach by applying from the date of border check. This stance will help assure market stability and consumer protection as we transition to a low-to-no carbon transport system. By making this shift, we can collectively ensure a more predictable, robust, and sustainable used automotive sector in New Zealand.

We look forward to engaging further on these critical issues and thank you for considering our comments.

Sincerely,



Kit Wilkerson
VIA Head of Policy and Strategy

s 9(2)(a)





Imported Motor Vehicle Industry Association

About us: VIA is the business association that represents the interests of all businesses involved in importing, preparing, wholesaling, and retailing most used vehicles that are imported into New Zealand from Japan, UK, and other source markets.

VIA members include registered traders, importers and wholesalers, Japanese auction companies and exporters, shipping companies, NZ Government-accredited inspection agencies, ports, compliance shops and other service providers to the trade.

VIA acknowledges the evidence of climate change and the present and future risks that it presents for New Zealand and for our industry. We worked closely and collaboratively with the Ministry of Transport on the design and implementation of the Clean Car Programme to assure it would work for the New Zealand context. We will continue to work closely with government to be part of the solution to the challenges of our future.

Privacy Statement: VIA has no concerns about this submission being made available to the public.

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Free Phone: 0800 VIA VIA (842 842)

Phone: +64 (9) 573-3058



Web: <https://www.via.org.nz/>

General Enquiries: info@via.org.nz

Technical Enquiries: technical@via.org.nz

From: Aimee Wiley <[REDACTED]>
Sent: Tuesday, April 23, 2024 1:53 PM
To: Haobo Wang <h.wang@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>; Lloyd Robinson <[REDACTED]>; Mark Stockdale <[REDACTED]>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>; [REDACTED]; Larry Fallowfield <[REDACTED]>; Maya Polaschek <[REDACTED]>; Kit Wilkerson <[REDACTED]>; Greig Epps <[REDACTED]>; Terry Collins <[REDACTED]>
Subject: RE: Proposed slope transition ** CONFIDENTIAL**

**** Strictly Confidential ****

Hello all,

Thanks Gaylene and Haobo for your emails below. I largely agree with what you have proposed. Specifically, that the use of 2021 and 2022 as reference years to calculate LPV regression is a more 'normal' baseline.

Further, I agree that the European Union method of reducing the slope (by the same percentage reduction that the targets achieve), offers a fairer and more proportional approach to the change across all distributors/importers. The MIA proposal to transition over 4 years had similar intentions (intended to seek incremental and proportional change whilst incrementally transitioning toward 0 slope).

I also agree with a review of CCS (headline targets, slope of limit line, mean weight and vehicle determining weight) benchmarked to global source country of manufacture targets every 2 years, with the next to be completed as you've suggested by end of April 2026. This will ensure appropriate targets are set (or re-set), particularly for 2028 and 2029. [REDACTED]

That leaves my only remaining concern, the 2025 targets for LPV. Before looking more closely at 2025 target achievement, let's first consider the Industry's current forecast for 2024 target achievement.

2024 LPV Target = 133.9g vs. current forecast for Full Year 2024 = 136.4g (Current YTD/Q1 Actual = 154.3g). The full year 2024 Industry forecast assumes EV demand uptake correction in Q3 and Q4, to round out 2024 year at weighted average Co2 of 136.4g. LPV is expected to achieve 2024 target due to the current LPV slope of 0.0841.

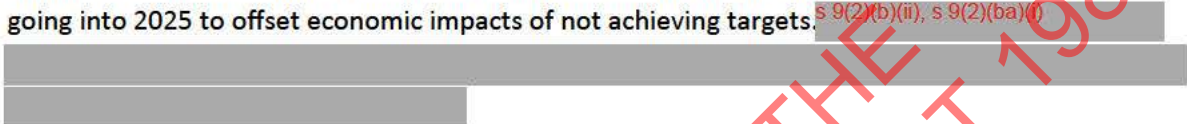
2024 LCV Target = 201.9g vs. current forecast for Full Year 2024 = 225.2g (Current YTD/Q1 Actual = 236.2g). With very few low emission LCV products available in 2024, LCV will not be able to achieve target. We currently expect LPV combined with the balance of CCS credits from 2023 to offset expected LCV under achievement in 2024.

Looking ahead to the proposed LPV 2025 Target. **The extent of change proposed is considerable and currently forecast as difficult/high risk for Industry to achieve.**

The MIA's suggested slope of the limit line addressed this concern. But with the suggested change to the European Union method of reducing the slope, [REDACTED]

Specific concerns for Industry's ability to achieve 112.6g LPV 2025 Co2 target include:

The change from 2024 to proposed 2025 LPV is: a 21.3g reduction in Co2 year on year and a 45.7% (0.0384) change to the LPV slope. This a significant combined change.

1. Previous achievement of 112.6g Co2 for LPV was the direct result of policy. The combination of a change in incentives (increase to CCD rate card) and political announcements for pending policy removal. This had the effect of considerably stimulating consumer demand for EV's. Without demand side incentives it is going to take longer to achieve a target of 112.6g. Product model changes in 2025/2026 are expected to further assist this level of target achievement, most likely in 2026 not 2025.
2. The extent of underachievement in LCV in 2023/2024 due to overly aggressive Co2 targets previously set (for both 2023 and 2024). The result is that LCV have/are consuming a considerable chunk of CCS credits banked from 2023 during 2024. This weakens industry's position from 2024 going into 2025 to offset economic impacts of not achieving targets. s 9(2)(b)(ii), s 9(2)(ba)(i)

3. Overly aggressive targets in 2025 will simply add more cost and fewer people will buy new vehicles. This is not a good outcome for Industry or to deliver/realise intention of policy to decarbonise.

s 9(2)(b)(ii), s 9(2)(ba)(i)



Thanks in advance for your willingness to engage on the review. If you'd like to discuss further, please don't hesitate to give me a call.

Kind regards,

Aimee Wiley
Chief Executive Officer, Motor Industry Association

From: [Gayelene Wright](#)
To: [Gayelene Wright](#)
Subject: RE: Proposed slope transition
Date: Thursday, 18 July 2024 11:12:00 am

From: Kit Wilkerson [s 9\(2\)\(a\)](#)
Sent: Tuesday, April 23, 2024 3:56 PM
To: Gayelene Wright <g.wright@transport.govt.nz>; Haobo Wang <h.wang@transport.govt.nz>;
Ainsley Smith <A.Smith2@transport.govt.nz>
Cc: Greig Epps [s 9\(2\)\(a\)](#)
Subject: Re: Proposed slope transition

Hi Gayelene,

We do believe that 112.6g is achievable and by extension so then is 114g.

As a brief comment on the 2-year review of the weight adjustment that would be part of an extended phase out, we are concerned that this review will end up another opportunity to decrease the ambition of the CCS and we recommend that it only include options that reduce the length of the phase out period and increase GHG reductions.

Best regards,

Kit Wilkerson
VIA
[s 9\(2\)\(a\)](#)

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From: Terence J. Collins <[REDACTED]>
Sent: Friday, April 26, 2024 10:21 AM
To: Gayelene Wright <g.wright@transport.govt.nz>; Aimee Wiley [REDACTED] Lloyd
Robinson [REDACTED] [REDACTED] Kit Wilkerson [REDACTED]; Greig Epps
[REDACTED]; James McDowall [REDACTED]; Maya Polaschek
[REDACTED]; Larry Fallowfield [REDACTED]
Cc: Haobo Wang <h.wang@transport.govt.nz>; Ainsley Smith <A.Smith2@transport.govt.nz>;
Sigurd Magnusson <S.Magnusson@transport.govt.nz>; Natasha Rave
<N.Rave@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

Hi Gaylene

The NZAA supports any compromise that will achieve the ambition of reducing the average CO2 emissions from new entrants to the light fleet without adding major costs to the importers of vehicles. Our main concern is that any major costs will ultimately be passed onto the consumer. Our fear is that higher cost vehicles will delay the purchase of replacement vehicles resulting in fewer safer vehicles that emit less CO2.

I can't comment of the specific targets and weight adjustment curve as I don't have the data that others have to make a fully informed decision. I applaud the effort to reach a workable compromise and our position will be determined based on further discussion with the other parties and better insight into the data.

All the best
Terry

Terry Collins

Principal Policy Advisor

The New Zealand Automobile Association Incorporated

[REDACTED]

W: aa.co.nz

Level 11, 342 Lambton Quay, Wellington 6011 | PO Box 1, Wellington 6140

In the Office: ✓ 7:00 am – 5:00 pm

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From: [Aimee Wiley](#)
To: [Gaylene Wright](#); [Nick Paterson](#); [Siobhan Routledge](#); [Audrey Sonerson](#); [Hon Simeon Brown](#); [Brian Anderton](#)
Subject: MIA CCS Review 2024 Submission
Date: Wednesday, 1 May 2024 7:51:41 pm
Attachments: [image001.png](#)
[Letter to Minister Brown & MoT - MIA CCS Review 2024.pdf](#)

Tēnā koutou,

Please find attached the MIA's submission and contribution toward the 2024 review of the clean car importer standard (CCS).

The MIA had previously committed to transparently sharing our feedback and recommendations with both the Ministry of Transport and Minister Brown.

I would also like to take this opportunity to thank officials at the Ministry of Transport (in particular, Gaylene Wright) for the genuinely collaborative approach toward working with all relevant Industry associations in undertaking this important review. It has certainly been beneficial for the MIA working in this way and I hope for the Ministry also.

I welcome further discussion, if required, on any aspect of this submission.

I look forward to hearing more in due course.

Ngā mihi nui

Kind regards,

Aimee Wiley
Chief Executive Officer, Motor Industry Association

s 9(2)(a)

www.mia.org.nz | MIA Office, Moore Design

Building @ 417 Cuba Street, Alicetown, Lower Hutt, Wellington.

A logo for a motorcycle company



From: Larry Fallowfield [s 9\(2\)\(a\)](#)
Sent: Friday, May 3, 2024 12:06 PM
To: Terence J. Collins [s 9\(2\)\(a\)](#); Gayelene Wright <g.wright@transport.govt.nz>;
Aimee Wiley [s 9\(2\)\(a\)](#); Lloyd Robinson [s 9\(2\)\(a\)](#); Kit
Wilkerson [s 9\(2\)\(a\)](#); Greig Epps [s 9\(2\)\(a\)](#); James McDowall
[s 9\(2\)\(a\)](#); Maya Polaschek [s 9\(2\)\(a\)](#)
Cc: Haobo Wang <h.wang@transport.govt.nz>; Ainsley Smith <A.Smith2@transport.govt.nz>;
Sigurd Magnusson <S.Magnusson@transport.govt.nz>; Natasha Rave
<N.Rave@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

Hi Gayelene,

Sorry for the delay in responding.

Thank you again for your openness and inclusive approach to reviewing the CCS. We appreciate your efforts in considering the CO2 levels and the impact that could have on the environment and the economy.

MTA believe it is essential to implement these changes thoughtfully to avoid significant cost increases for businesses and the general public, while balancing the on-going impact to the environment and people's health.

Given the current ongoing cost-of-living crisis and potential economic impact, finding a balanced solution is crucial.

We understand the concerns of our members who sell and those of our trade and mobile business owners who purchase new motor vehicles, any adjustments should be carefully evaluated to prevent an undue rise in the cost of new vehicles as over 50% of new vehicle purchased are sold to companies. MTA also has a large member base in the Used Import space, and we remain aware of the impact that any modifications to the CO2 levels may have on the industry as a whole.

The MTA supports the MIA approach with a compromise that effectively reduces average CO2 emissions from new vehicles entering the light vehicle fleet whilst not leading the world in our reduction levels, we emphasise achieving this goal without imposing excessive costs on vehicle importers is critical.

Like the AANZ our primary concern is that such costs would ultimately be passed on to consumers, potentially delaying the replacement of older vehicles and limiting safer options with

lower CO2 emissions.

Stats from NZTA as at 1 December 2023

- People are twice as safe in a 5-star safety rated car than in a 1-star safety rated car in a crash.
- Vehicles with 1 or 2- star safety ratings make up around 40% of the light vehicle fleet in New Zealand, but are over-represented in crashes involving deaths and serious injuries on our roads.
- Previous analysis has shown high safety rated vehicles are available in most categories and price brackets.
- The Rightcar website also includes information about vehicles' crash avoidance features, such as automatic emergency braking and lane-keeping systems, which can help people to avoid crashing. NZ Transport Agency, Waka Kotahi recommends people check the crash avoidance features a vehicle has, along with its safety rating.

Thanks again.

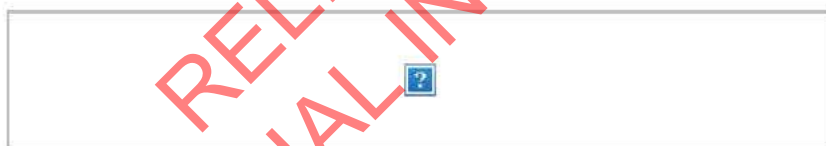
Kind regards,

Larry Fallowfield
Sector Manager – Dealers & Specialist Services

Motor Trade Association

s 9(2)(a)

485 Great South Road
Penrose,
Auckland 1061



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MINISTRY OF TRANSPORT

Wellington (Head Office) | Ground Floor, 3 Queens Wharf | PO Box 3175 | Wellington 6011 | NEW ZEALAND | Tel: +64 4 439 9000 |

Auckland | NZ Government Auckland Policy Office | Level 7, 167B Victoria Street West | PO Box 106238 | Auckland City | Auckland 1143 | NEW ZEALAND | Tel: +64 4 439 9000 |

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From: Aimee Wiley <s 9(2)(a)>
Sent: Thursday, May 16, 2024 8:17 PM
To: Gayelene Wright <g.wright@transport.govt.nz>; Mark Stockdale <s 9(2)(a)>; Lloyd Robinson <s 9(2)(a)>; Haobo Wang <h.wang@transport.govt.nz>
Cc: Paul Hawkes <P.Hawkes@transport.govt.nz>
Subject: RE: input into our CO2 emissions modelling

Hi Gaylene,

Thanks for your call today to discuss these urgent requests. I also appreciate your patience in awaiting my reply while I've been working in Melbourne this week.

You've probably already heard from Australian officials that the NVES passed the Australian House of Representatives this morning (approved without changes, as proposed). Further, I understand that the final stage of Australian government approval is also expected to be completed today.

I'm passing this along in case you haven't heard (I thought it would be useful information considering your briefing with the Minister on Monday next week).

Responses to your questions below are:

1. Request to present to the wider MoT team about the impact of the current targets – Yes, I can make this work (on 27/5 at 11am as suggested).
2. Use of Scenario 2 as Status Quo – I agree with this. This scenario was designed to show the full status quo picture based on what is currently outlined in regs/leg (updated as originally intended without policy change).
3. Further information about vehicles attracting penalties. This was previously calculated at the segment level. However, following your request, I have undertaken a deep dive at the individual detailed vehicle level to calculate the expected CCS impact for each individual vehicle.

s 9(2)(b)(ii), s 9(2)(ba)(i)

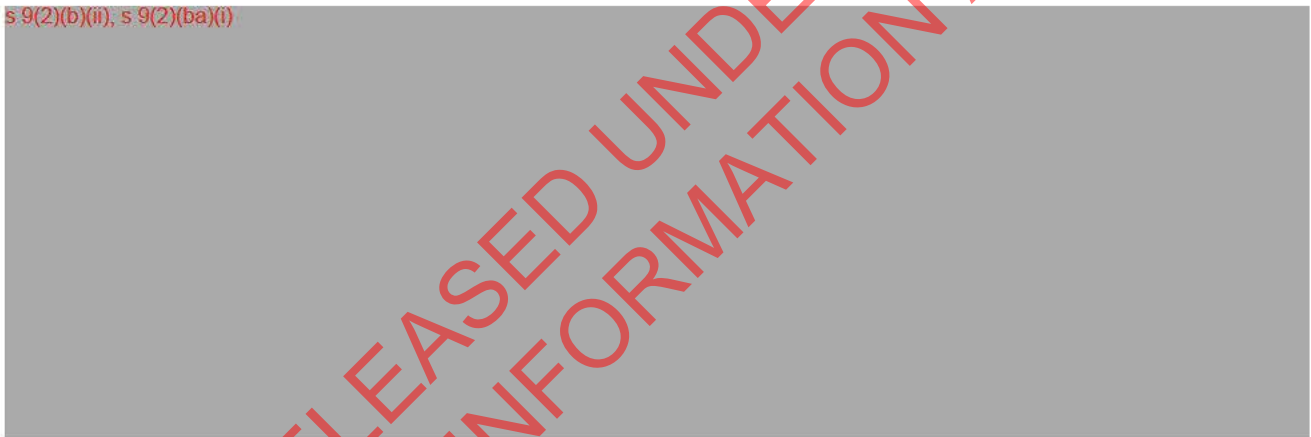
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Below is the updated detailed info:

s.9(2)(ba)(i), s.9(2)(b)(ii)



s.9(2)(b)(ii), s.9(2)(ba)(i)



Updated scenario 2 table (in support) as below:

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Lastly, I'm returning to NZ tomorrow, and my flight is scheduled to land at 3 pm. I'd be happy to discuss this further by phone if that's helpful (and not too late by then).

Thanks

Kind regards,

Aimee Wiley
Chief Executive Officer, Motor Industry Association

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From: [Gaylene Wright](#)
To: [Gaylene Wright](#)
Subject: FW: Clarifying whether my restatement of MIA's information is correct
Date: Wednesday, 17 July 2024 3:33:12 pm

From: Aimee Wiley s 9(2)(a)
Sent: Wednesday, May 29, 2024 3:26 PM
To: Gaylene Wright <g.wright@transport.govt.nz>
Subject: RE: Clarifying whether my restatement of MIA's information is correct

Hi Gaylene,

Thanks again for the opportunity to meet more of the wider MoT team and share an industry perspective.

Regarding your email below, the only suggested change is to ignore the average segment achievement (\$5,549) and use the vehicle level detail instead. The segment level average can be hard to explain or make sense of without the underlying data.

Here's a suggested alternative explanation that makes more sense.

The MIA has stated that if the targets and the weight adjustment formula for 2025 and 2026 are not changed, by 2027, 65% of new vehicles are forecast to attract charges of \$800 million, none of which can be covered by emission credits. If this cost is spread across all new vehicles as forecasted in 2027, it would amount to \$5,418 per vehicle. Alternatively, if the charges are spread across the vehicles attracting the charges, this equates to an estimated per-vehicle charge of \$8,328.

Kind regards,

Aimee Wiley
Chief Executive Officer, Motor Industry Association

MINISTRY OF TRANSPORT

Wellington (Head Office) | Ground Floor, 3 Queens Wharf | PO Box 3175 | Wellington 6011 | NEW ZEALAND | Tel: +64 4 439 9000 |

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Clean car standard review meeting on proposed recommendations

- Gayelene opened seeking feedback on recommendations.

Level of the targets

- We agreed that they are too stringent and they should be eased – proposing to align with Australia. This will push our targets out by two years, proposing to align from 2027. Meaning that the 2025 target will remain the same.
- Australian targets are currently before the Australian Parliament (anticipated mid-late- 2024)

Pax feedback target

- ^{s 9(2)} VIA: higher target than they would recommend but us pragmatic for industry. “Not high enough” – Japanese vehicles tend to have lower emissions but not all cars are from Japan. We will need to set requirements for least clean vehicles being introduced. Japanese targets are set taking into account cultural values.
- ^{s 9(2)(a)} MTA: makes sense – but need to think about pegging our system to another. How would our targets align – will this be ongoing? (MOT: we will have a continual two year review to make sure they are fit for purpose)
- ^{s 9(2)(ba)(i)} [REDACTED]
- AA – can you share this information with us (and shared cost impacts too).
- Existing current target would be achievable – but combination and the weights would make it unachievable. 8 different scenarios to show how we could make it work.
- MOT what makes 2025 difficult?
- ^{s 9(2)(ba)(i)} [REDACTED]
- ^{s 9(2)} VIA – used industry has seen a decrease in mass in the period of the CCS. Other side has seen an increase in mass and power. Similar results in the US. VIA would like the slope removed for both comm and pax vehicles
- ^{s 9(2)(ba)(i)} [REDACTED]

Clean car standard review meeting on proposed recommendations

- VIA – isn't the purpose to shift market to vehicles that are lower-emitting.
- MOT – how would you feel about a standards between sectors? VIA/MIA different standards.
- MOT – How do we resolve the slope matter? What would be a comfortable same?
- MTA view – broadly supportive of conversation, interested in MIA work. Agree with the issue of using '23 data. Some of these vehicles have 2 X CCD. (used Volvo eg) created artificial distortion.
- s 9(2)(ba)(i)
- s 9(2)(ba)(i)
- AA – slope – can we have a level of pragmatism to think about changing the slope? Or two different slopes...
- Suzuki example
- s 9(2)(ba)(i)

Light commercial

- s 9(2)(ba)(i)
- Agreement re disability vehicles
- Extending borrowing beyond 2025 (s 9(2)(ba)(i))

MOT – we need to work on the slope

VIA's position on slope is based on other State – rationale for removing the slope should be removed from commercial vehicles (increases in mass and power simultaneous to efficiency)

AA – based on international fleets – this will be based on NZ fleets

s 9(2)(ba)(i)

-
-

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From: Gayelene Wright
Sent: Wednesday, April 24, 2024 9:53 AM
To: Haobo Wang <h.wang@transport.govt.nz>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL ** - how about we reframe the transition?

I have just had a chat with the VIA and have their support for the modified transition. My plan now is to craft up an email to all the industry associations explaining why we are reframing the transition – to be a 2-year one that assumes uniform targets from 2027 but with a review in 2026 that checks whether the r/ship between weight and emissions has stopped being linear.

From: Haobo Wang <h.wang@transport.govt.nz>
Sent: Wednesday, April 24, 2024 9:43 AM
To: Ainsley Smith <A.Smith2@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL ** - how about we reframe the transition?

Hi Gayelene, I like your suggested modification, which would better reflect likely future development.

An alternative would be reframe the transition so it continues with weight-adjusted targets for 2025 and 2026 with the review in 2026 determining whether there is any reason not to move to uniform targets from 2027. In other words the review's starting point is that targets ought to be uniform in 2027

Haobo

From: Ainsley Smith <A.Smith2@transport.govt.nz>
Sent: Wednesday, April 24, 2024 8:41 AM
To: Gayelene Wright <g.wright@transport.govt.nz>; Haobo Wang <h.wang@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL ** - how about we reframe the transition?

You would make a good diplomat Gayelene.

I think that is the good middle ground that wont make anyone happy, which is usually a sign that it is a good solution.

From: Gayelene Wright <g.wright@transport.govt.nz>
Sent: Wednesday, April 24, 2024 8:02 AM
To: Ainsley Smith <A.Smith2@transport.govt.nz>; Haobo Wang <h.wang@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL ** - how about we reframe the transition?

I definitely agree that the 2025 passenger target should not change.

The complication I see with the 2022 data is that it contains the impact of the CCD. So the slope for that year is likely to be lower than the slope we see for 2024.

An alternative would be reframe the transition so it continues with weight-adjusted targets for 2025 and 2026 with the review in 2026 determining whether there is any reason not to move to uniform targets from 2027. In other words the review's starting point is that targets ought to be uniform in 2027. Thoughts? Let me know and I will email the industry associations again

From: Ainsley Smith <A.Smith2@transport.govt.nz>

Sent: Tuesday, April 23, 2024 4:55 PM

To: Haobo Wang <h.wang@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>

Subject: RE: Proposed slope transition ** CONFIDENTIAL **

Based on Haobo's comment below, as I didn't understand the point about the 2022 data that he made at the time, but I do now. I am quite uncomfortable about going with the MIA proposal of gradual slope reduction and would support the VIA position.

Can we put both options to the Minister and recommend the no slope option?

From: Haobo Wang <h.wang@transport.govt.nz>

Sent: Tuesday, April 23, 2024 4:08 PM

To: Gayelene Wright <g.wright@transport.govt.nz>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>

Subject: RE: Proposed slope transition ** CONFIDENTIAL **

Hi Gayelene,

I'll see that MIA's proposal is arbitrary and lacks good evidence to support. They want both to relax 2025 target and to raise slopes for 2025 and 2026 at the same time. That would (unfairly) further benefit for the new vehicle sector, but disadvantage used vehicle sector.

s 9(2)(b)(ii), s 9(2)(ba)(i)

Please also note using 2021 and 2022 data as the reference is already a compromise. If we were doing regressions based on 2022 data (more recent), the slope is even lower (0.0262) and R2 is only 0.1075, which means the 2022 data would suggest the linear relationship was already broken in 2022.

In summary, I do not think MIA's proposal is acceptable for any good reasons.

Cheers,
Haobo

From: Gayelene Wright <g.wright@transport.govt.nz>
Sent: Tuesday, April 23, 2024 3:15 PM
To: Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>;
Haobo Wang <h.wang@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

Thanks for that Ainsley. Can others let me know what they think. Am happy to hold the line on 112.6 for 2025

From: Ainsley Smith <A.Smith2@transport.govt.nz>
Sent: Tuesday, April 23, 2024 3:11 PM
To: Haobo Wang <h.wang@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>;
Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

I understand the point Aimee is making on behalf of industry but from a Govt perspective wouldn't such a change go against the purpose of the policy to reduce emissions? Would we not end up setting targets in line with what industry would have done anyway? My thinking is that any targets exceed what the industry would have done anyway otherwise the policy has no impact. Have I missed something?

I would raise another question (something I have been thinking about but haven't raised), how representative of industry is the MIA view, particularly looking at EVs? I note that some of the main EV producers are members (BYD, Hyundai, Kia, MG) but not Tesla nor Polestar. I note that both Tesla and Polestar (along with the other main EV producers) are Drive electric members. This suggests to me that perhaps the MIA does not represent this segment of the market very well. Have we attempted to seek a different view?

Ainsley

From: Aimee Wiley <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>
Sent: Tuesday, April 23, 2024 1:53 PM
To: Haobo Wang <h.wang@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>;
Lloyd Robinson <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>; Mark Stockdale <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Cc: [s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz); Larry Fallowfield <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>; Maya Polaschek <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>; Kit Wilkerson <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>; Greig Epps <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>; Terry Collins <[s 9\(2\)\(a\)@transport.govt.nz](mailto:s 9(2)(a)@transport.govt.nz)>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

**** Strictly Confidential ****

Hello all,

Thanks Gaylene and Haobo for your emails below. I largely agree with what you have proposed. Specifically, that the use of 2021 and 2022 as reference years to calculate LPV regression is a more 'normal' baseline.

Further, I agree that the European Union method of reducing the slope (by the same percentage reduction that the targets achieve), offers a fairer and more proportional approach to the change across all distributors/importers. The MIA proposal to transition over 4 years had similar intentions (intended to seek incremental and proportional change whilst incrementally transitioning toward 0 slope).

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That leaves my only remaining concern, the **2025 targets for LPV**. Before looking more closely at 2025 target achievement, let's first consider the Industry's current forecast for 2024 target achievement.

2024 LPV Target = 133.9g vs. current forecast for Full Year 2024 = 136.4g (Current YTD/Q1 Actual = 154.3g). The full year 2024 Industry forecast assumes EV demand uptake correction in Q3 and Q4, to round out 2024 year at weighted average Co2 of 136.4g. LPV is expected to achieve 2024 target due to the current LPV slope of 0.0841.

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s 9(2)(b)(ii), s 9(2)(ba)(i)

Thanks in advance for your willingness to engage on the review. If you'd like to discuss further, please don't hesitate to give me a call.

Kind regards,

Aimee Wiley
Chief Executive Officer, Motor Industry Association

From: Haobo Wang <h.wang@transport.govt.nz>

Sent: Tuesday, April 23, 2024 9:00 AM

To: Gayelene Wright <g.wright@transport.govt.nz>; Aimee Wiley <s 9(2)(a)>; Lloyd Robinson <s 9(2)(a)>; Mark Stockdale <s 9(2)(a)>; James McDowall <s 9(2)(a)>; Larry Fallowfield <Larry.Fallowfield@mta.org.nz>; Maya Polaschek <s 9(2)(a)>; Kit Wilkerson <s 9(2)(a)>; Greig Epps <s 9(2)(a)>; Terry Collins <s 9(2)(a)>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle

<E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>

Subject: RE: Proposed slope transition

Morning all,

I noticed there was a typo in the table for slope change. The correct one should be:

Year	% reduction of target	Slope
2025	16%	0.0457
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2029	End of transition	0

Regards,
Haobo

Haobo Wang (he/him) | PhD, MSc
Principal Analyst – Insights, Data & Evaluation
Te Manatū Waka Ministry of Transport

M: +[§ 9\(2\)\(a\)](tel) | E: h.wang@transport.govt.nz | transport.govt.nz



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Enabling New Zealanders to flourish

From: Gayelene Wright <g.wright@transport.govt.nz>

Sent: Tuesday, April 23, 2024 8:25 AM

To: Aimee Wiley <[§ 9\(2\)\(a\)](mailto)>; Lloyd Robinson <[§ 9\(2\)\(a\)](mailto)>; [§ 9\(2\)\(a\)](mailto) <[§ 9\(2\)\(a\)](mailto)>;
James McDowall <[§ 9\(2\)\(a\)](mailto)>; Larry Fallowfield <[§ 9\(2\)\(a\)](mailto)>;
Maya Polaschek <[§ 9\(2\)\(a\)](mailto)>; Kit Wilkerson <[§ 9\(2\)\(a\)](mailto)>; Greig Epps
<[§ 9\(2\)\(a\)](mailto)>; [§ 9\(2\)\(a\)](mailto) <[§ 9\(2\)\(a\)](mailto)>; Haobo Wang <h.wang@transport.govt.nz>; Ainsley Smith
<A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson
<S.Magnusson@transport.govt.nz>

Subject: Proposed slope transition

Hi there

Thanks again for participating in our meeting last Friday.

As you know the one item to resolve, following our meeting, is to agree the slopes for the weight-adjusting formulae out to 2029.

I asked Haobo Wang, our Principal Data Analyst, to suggest the most technically correct approach to having a 4-year transition away from weight-adjusted to uniform targets.

He suggests that the reference years used for the regression be 2021 and 2022. This is because:

- as our meeting agreed, the 2023 year cannot be regarded as a “normal” year with the CCD being present then removed on 31 December

- 2024 to date cannot be used as new EV sales are still being impacted by the unusually strong uptake of zero and low emission vehicles in the last few months of 2023. Also the number of vehicles would be too small for robust regressions. We like to have at least one year of data
- 2021 and 2022 would provide a better reference point than 2023 and to date 2024 for the relationship between CO2 emissions and weight that we could expect to see across the vehicles imported in 2025.

The regression based on 2021 and 2022 data gives a slope of 0.0457.

In terms of how we would transition from a weight-adjusting slope of 0.0457 to a slope of 0 (ie no weight-adjusting), Haobo suggests using the European Union method of reducing the slope by the same percentage reduction that the targets achieve. This method bests maximises fairness between individual vehicle importers. This would give the following slopes:

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Could you let me know whether you agree with using the 2021 and 2022 years and the proposed slope transition in the above table.

We are concerned that a 4-year transition may be too long given how quickly the linear relationship between vehicle weight and CO2 emissions could diminish once sales of new hybrids and EVs recover. If weight-adjusting continues where there is not a linear relationship between weight and emissions among the vehicles being imported, the Standard will favour some vehicle importers over others. To minimise this risk, we propose recommending that the targets and slopes be reviewed every 2-years, with the next one being done by 30 April 2026.

Could you also let me know whether you support 2-yearly reviews.

Thanks again for your openness and engagement on the review.

Gayelene

Gayelene Wright

Kaitohutohu Matāmua, Hoahoa Kaupapa Here Taiao | Principal Adviser, Environment

Te Manatū Waka - Ministry of Transport

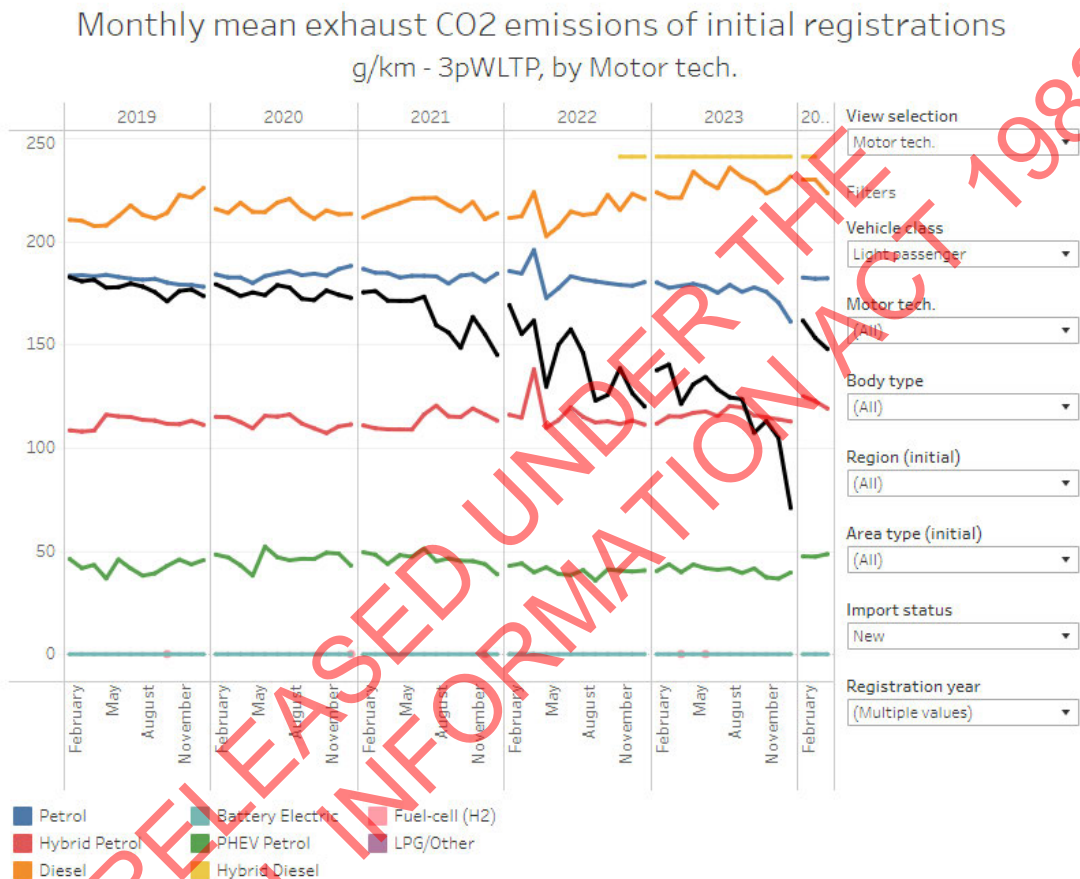
M: § 9(2)(a) g.wright@transport.govt.nz



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Hi Gayelene,

My understanding is we're talking about if the 2025 target of 112.6 g/km is achievable in 2025 based on our proposed changes. Using the sheet of 'mean CO2 vs target' for this would be a bit problematic. This is because calculation here still uses the slope (0.0841) and mean tare in current regulation when comparing with 2025 target. However, we have proposed to use a lot lower slope for 2025 in this review. A better way for our argument could be simply to compare monthly average CO2 of registrations to 112.6 (i.e. using the first sheet). We can say in Sep, Nov and Dec of 2023, the mean CO2 of new vehicle registrations was already below 112.6.



By the way, mean CO2 of light new reg in Dec 2023 was 70.8 (about 42 below 2025 target of 112.6), but the second sheet shows the sector would have overachieved by more than 100 g, which is questionable. There might be some issues in the calculation or that might highlight problem of the weight adjusted approach. Some further investigation would be needed.

Hopefully this is helpful,
Haobo

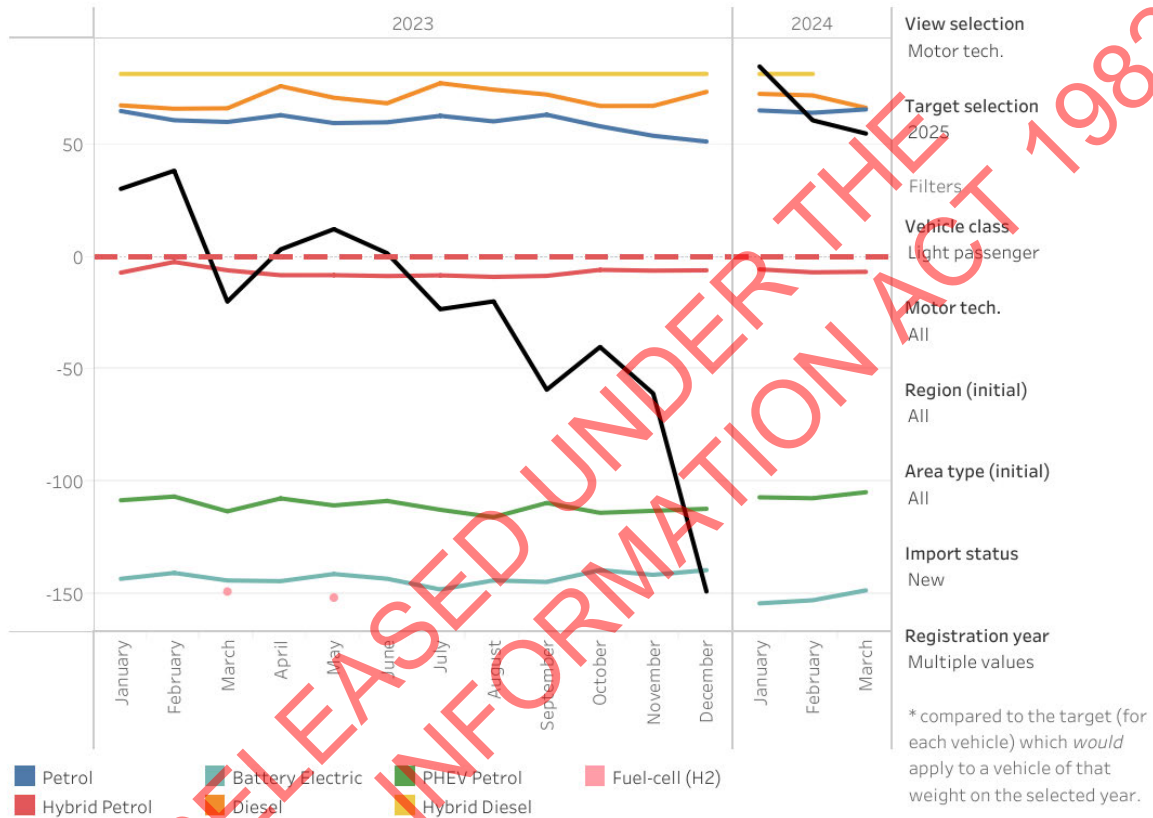
From: Gayelene Wright <g.wright@transport.govt.nz>
Sent: Friday, April 26, 2024 8:04 AM
To: Haobo Wang <h.wang@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

Hi again

Here's what the monthly CO2 for new vehicle registrations versus 2025 target shows:

Mean CO2 emissions	Mean CO2 emissions vs. target	Market share	Registrations	Mean tare weight	Age of vehicles	CCD amounts
--------------------	-------------------------------	--------------	---------------	------------------	-----------------	-------------

Monthly mean exhaust CO2 emissions of initial registrations
g/km - 3pWLTP, by Motor tech., vs CCS target*



From: Haobo Wang <h.wang@transport.govt.nz>
Sent: Wednesday, April 24, 2024 3:53 PM
To: Gayelene Wright <g.wright@transport.govt.nz>; Natasha Rave <N.Rave@transport.govt.nz>
Subject: RE: Proposed slope transition ** CONFIDENTIAL**

Thanks Gayelene. I'm fine with your suggested response to MIA shown below, except one point. I've just checked our monthly reg reporting, it shows:

- new vehicle distributors achieved the 2025 target (112.6) for the months of September, November, and December of 2023.

Did you get the data from other source or directly from MIA or I did something wrong? Could you please double check?

Cheers,
Haobo

From: Gayelene Wright <g.wright@transport.govt.nz>
Sent: Wednesday, April 24, 2024 3:13 PM
To: Natasha Rave <N.Rave@transport.govt.nz>; Haobo Wang <h.wang@transport.govt.nz>
Subject: FW: Proposed slope transition ** CONFIDENTIAL **

Hi Natasha and Haobo

Could you please review this response to Aimee's email from yesterday. I intend to send it to the MIA, VIA, MTA and AA on Friday.

Hi there

Thanks very much Aimee for sending through the MIA's position on our suggestion for how a 4-year transition to uniform targets could be progressed. I also note that further to our Friday meeting

s 9(2)(b)(ii), s 9(2)(ba)(i)

Taking the 2025 target first, the Ministry is not convinced that a change to [REDACTED] is needed. This is because:

- at the Friday meeting, and in subsequent correspondence, the VIA confirmed that it considers the 2025 target achievable
- used-importers achieved the 2025 target for the month of December 2023 despite the constrained supply of used-EVs available to its members to import
- new vehicle distributors achieved the 2025 target for the ~~month of March 2023 and over July-December 2023~~ months of September, November and December 2023
- compared internationally the average level of CO2 emissions the 2025 target seeks was sought and achieved by the leading jurisdictions 3–6 years ago.

On the 4-year transition, we are concerned that 4-years will likely be too long given how quickly the linear relationship between vehicle weight and CO2 emissions is likely to diminish once sales of hybrids and EVs recover. If weight-adjusting were to continue in the absence of a linear relationship, then vehicle importers of heavier vehicles will be advantaged by having easier targets.

To minimise this risk, we propose a reframing of the transition so that we continue with weight-adjusted targets for 2025 and 2026 with a review in 2026 to determine whether there is any reason not to move to uniform targets from 2027.

For 2025 and 2026 the weight-adjusting formula would be amended as we proposed. That is:

- rather than 2023 vehicle registrations, registrations for 2021 and 2022 will be used to determine the slope for 2025, which is 0.0457
- the slope for 2026 will be determined by reducing the 2025 slope by the percentage reduction that the 2026 target achieves. This gives a slope of 0.0438.

In our view using the combined data of 2021 and 2022 registrations is favourable for the MIA and in part is a compromise. The slope from regressions based on the 2022 data alone is 0.0262 – yielding targets that would be closer to uniform than if a slope of 0.0457 is used. We acknowledge the 2022 registrations may have been strongly impacted by the Clean Car Discount. However, we also acknowledge that future vehicle registrations will be impacted by the Clean Car Standard and by continuous advancement of zero and low emission vehicle technology.

Could you please let me know your association's view on the above proposals.

Thanks again for your openness and willingness to work towards a set of shared recommendations.

Gayelene

From: Aimee Wiley <[REDACTED]>
Sent: Tuesday, April 23, 2024 1:53 PM
To: Haobo Wang <h.wang@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>; Lloyd Robinson <[REDACTED]>; Mark Stockdale <[REDACTED]>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Cc: [REDACTED]; Larry Fallowfield <[REDACTED]>; Maya Polaschek <Maya.Polaschek@mta.org.nz>; Kit Wilkerson <[REDACTED]>; Greig Epps <[REDACTED]>; Terry Collins <[REDACTED]>
Subject: RE: Proposed slope transition ** CONFIDENTIAL **

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Further, I agree that the European Union method of reducing the slope (by the same percentage reduction that the targets achieve), offers a fairer and more proportional approach to the change across all distributors/importers. The MIA proposal to transition over 4 years had similar intentions (intended to seek incremental and proportional change whilst incrementally transitioning toward 0 slope).

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2024 LPV Target = 133.9g vs. current forecast for Full Year 2024 = 136.4g (Current YTD/Q1 Actual = 154.3g). The full year 2024 Industry forecast assumes EV demand uptake correction in Q3 and Q4, to round out 2024 year at weighted average Co2 of 136.4g. LPV is expected to achieve 2024 target due to the current LPV slope of 0.0841.

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Kind regards,

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Sent: Tuesday, April 23, 2024 9:00 AM
To: Gayelene Wright <g.wright@transport.govt.nz>; Aimee Wiley <[redacted]>; Lloyd Robinson <[redacted]>; Mark Stockdale <[redacted]>; James McDowall <[redacted]>; Larry Fallowfield <[redacted]>; Maya Polaschek <[redacted]>; Kit Wilkerson <[redacted]>; Greig Epps <[redacted]>; Terry Collins <[redacted]>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
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Haobo Wang (he/him) | PhD, MSc
Principal Analyst – Insights, Data & Evaluation
Te Manatū Waka Ministry of Transport

M: [s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz) | E: h.wang@transport.govt.nz | transport.govt.nz



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From: Gayelene Wright <g.wright@transport.govt.nz>

Sent: Tuesday, April 23, 2024 8:25 AM

To: Aimee Wiley <[s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz)>; Lloyd Robinson <[s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz)>; James McDowall <James.McDowall@mta.org.nz>; Larry Fallowfield <[s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz)>; Maya Polaschek <[s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz)>; Kit Wilkerson <[s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz)>; Greig Epps <[s 9\(2\)\(a\)](mailto:s 9(2)(a)@transport.govt.nz)>; Haobo Wang <h.wang@transport.govt.nz>; Ainsley Smith <A.Smith2@transport.govt.nz>; Emma Wardle <E.Wardle@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>

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Gayelene Wright

Kaitohutohu Mātāmua, Hoahoa Kaupapa Here Taiao | Principal Adviser, Environment

Te Manatū Waka - Ministry of Transport

M: s 9(2)(a) g.wright@transport.govt.nz



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MINISTRY OF TRANSPORT

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Auckland | NZ Government Auckland Policy Office | Level 7, 167B Victoria Street West | PO Box 106238 | Auckland City | Auckland 1143 | NEW ZEALAND | Tel: +64 4 439 9000 |

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From: [Ainsley Smith](#)
To: [Gayelene Wright](#); [Haobo Wang](#); [Sigurd Magnusson](#)
Subject: RE: Could you please review this new text on the transition to uniform targets
Date: Friday, 26 April 2024 11:12:58 am
Attachments: [image001.png](#)

Could we say 'no clear and material linear relationship'? The clear would cover statistical significant eg r2 value and the material would cover the size of the coefficient (impact).

Would be good to get Haobos thoughts on this

From: Gayelene Wright <g.wright@transport.govt.nz>
Sent: Friday, April 26, 2024 10:47 AM
To: Ainsley Smith <A.Smith2@transport.govt.nz>; Haobo Wang <h.wang@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Could you please review this new text on the transition to uniform targets

Hi Ainsley

I've changed it to be: **agree** in-principle that targets for passenger vehicles be uniform from 2027 subject to confirmation, via the 2026 targets review, that there is no linear relationship between vehicle weight and CO2 emissions

However, "no linear relationship" doesn't address your second point. Do you have any suggestion for what "no" can mean?

Appreciate your help on this

Cheers Gayelene

From: Ainsley Smith <A.Smith2@transport.govt.nz>
Sent: Friday, April 26, 2024 8:45 AM
To: Gayelene Wright <g.wright@transport.govt.nz>; Haobo Wang <h.wang@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>
Subject: RE: Could you please review this new text on the transition to uniform targets

Hi Gayelene,

I am broadly comfortable with the text.

A couple of points:

- **Headline:** Is reconfirmation the right word? It sounds a bit like the decision will need to be made again?
- **Point 6 (also relates to text in point 4):** Do we want to be clear how strong this relationship needs to be or how significant? I wouldn't want to be forced into a review if the relationship is weak.

Ainsley

From: Gayelene Wright <g.wright@transport.govt.nz>

Sent: Wednesday, April 24, 2024 1:31 PM

To: Haobo Wang <h.wang@transport.govt.nz>; Ainsley Smith <A.Smith2@transport.govt.nz>; Sigurd Magnusson <S.Magnusson@transport.govt.nz>

Subject: Could you please review this new text on the transition to uniform targets

Hi there

Could you review the following text for the briefing on the transition to uniform targets.

Thanks heaps

Gayelene

We propose moving to uniform passenger vehicle targets from 2027 but with a reconfirmation of this decision in 2026

- 1 When applied to individual vehicle importers, the annual CO2 targets are adjusted by vehicle weight to:
 - 1.1 avoid penalising vehicle importers that supply a high proportion of heavier vehicles. This recognises that heavier vehicles use more fuel and would be disadvantaged by having to meet the same target as lighter ones
 - 1.2 encourage vehicle suppliers to improve all their vehicles irrespective of vehicle weight. Without the adjustment there is a risk that the fuel efficiency of small vehicles does not improve beyond the business-as-usual rate.
- 2 Yet, the linear relationship between vehicle weight and CO2 emissions will steadily diminish as the share of electric and hybrid vehicles increases. Once the point is reached where there is no linear relationship there will be no rationale to weight-adjust the annual targets. We previously advised that based on 2023 vehicle registrations this point has almost been reached and there would be merit in considering uniform targets from 2025.
- 3 The VIA support moving to uniform targets from 2025. However, the MIA raised concern that 2023 is an atypical year and cannot be used as the decision point for moving to uniform targets. This is because the cessation of the Clean Car Discount on 31 December 2023 resulted in an unusually strong uptake of zero and low emission vehicles in the last few months of 2023. This has been followed by a flat-period for sales of these vehicles for the year to date. Consequently, the MIA favours a 4-year transition with uniform targets applying from 2029.
- 4 We consider it likely that a 4-year transition will be too long given how quickly the linear relationship between vehicle weight and CO2 emissions is likely to diminish once sales of new hybrids and EVs recover. If weight-adjusting were to continue in the absence of a linear relationship, then vehicle importers of heavier vehicles will be advantaged by having easier targets. To minimise this risk, we propose moving to uniform targets from 2027, but reconfirming this decision as part of the 2026 targets review.
- 5 To address the concerns the MIA has raised, we also propose to amend the existing weight-adjusting formulas for 2025 and 2026 so that:
 - 5.1 rather than 2023 vehicle registrations, registrations for 2021 and 2022 are used to determine the slope of the limit line for 2025 (this slope expresses the relationship between CO2 emissions and vehicle weight)
 - 5.2 the slope for 2026 is determined by reducing the 2025 slope by the percentage reduction that the annual target achieves.

- 6 If the 2026 review determines that a linear relationship is still present then the slopes from 2027 would be considered as part of the review.

Gayelene Wright

Kaitohutohu Mātāmua, Hoahoa Kaupapa Here Taiao | Principal Adviser, Environment

Te Manatū Waka - Ministry of Transport

M: + s 9(2)(a) g.wright@transport.govt.nz



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From: [Sigurd Magnusson](#)
To: [Gayelene Wright](#)
Subject: Safety - VIA position
Date: Monday, 6 May 2024 11:28:23 am
Attachments: [RE Proposed slope transition CONFIDENTIAL.msg](#)

Gayelene,

Regarding content for the RIS –

Whereas the MIA has made a clear statement on safety (see below), and the MTA make a general argument,

I don't see any clear statement from VIA. What do we have from the VIA on safety impacts of changing the CO2 targets (and or other changes, e.g. uniform CO2 targets)?

VIA submissions –

- 15 January – no safety content, but a number of proposals outlined -
[REDACTED]
- 4 April – no safety content. just focussed on relationship between emissions and weight.
[REDACTED]

MTA –

- made an argument that replacing your car is likely to mean you get a safer car; and links that to saying that if vehicle prices go up, replacement rates will reduce, and thus safety will worsen. (Email sent to us on Friday afternoon, attached).

MIA -

- 26 April [REDACTED]

s 9(2)(b)(ii), s 9(2)(ba)(i)

Sigurd Magnusson
Senior Adviser - Environment, Emissions and Adaptation
Ministry of Transport – Te Manatū Waka

s 9(2)(a)

From: [Sigurd Magnusson](#)
To: [Morgan Watkins](#)
Cc: [Gavelene Wright](#)
Subject: Safety impacts of CO2 targets for RIS
Date: Monday, 6 May 2024 2:49:19 pm

Morgan,

I'm looking to make a brief summary of the viewpoints below (see MIA, VIA, MTA) together with what we exchanged by email some time ago (attached).

Keen in the next couple of days to get your input as there is likely evidence or viewpoints from you or Todd Wylie that are worth either factoring in the below, or, including in an expanded commentary elsewhere. The below hasn't been word-smithed, but rather is the overarching narrative, subject to feedback.

Relaxing CO2 targets is expected to be neutral or may slightly help safety, according to the vehicle industry. The new vehicle sector states relaxing targets removes a tension between incorporating safety features and complying to the current strict CO2 targets, both of which currently raise purchase prices of vehicles. The used motor vehicle industry considers the changes would make no impact on vehicle safety.

Officials however note that 95% of buyers of new vehicles buy 5-star safety rated vehicles, suggesting the impact of CO2 targets on new vehicle safety is likely very limited. Additionally, for used vehicles, there could be an improvement to safety if the policy change were to reduce the average age of used imports. This is not expected; other policies, such as minimum requirements on noxious emissions by comparison will play a much larger role on age. Officials do note that a shift to uniform passenger sector CO2 targets may reduce vehicle weights and in doing so, improve some aspects of vehicle safety by reducing the mass and inertia of vehicles in a crash.

MIA said in April 2024

s 9(2)(b)(ii), s 9(2)(ba)(i)



s 9(2)(b)(ii), s 9(2)(ba)(i)

VIA said in March 2024:

s 9(2)(ba)(i)

MTA said in May 2024

The MTA supports the MIA approach with a compromise that effectively reduces average CO2 emissions from new vehicles entering the light vehicle fleet whilst not leading the world in our reduction levels, we emphasise achieving this goal without imposing excessive costs on vehicle importers is critical.

Like the AANZ our primary concern is that such costs would ultimately be passed on to consumers, potentially delaying the replacement of older vehicles and limiting safer options with lower CO2 emissions.

Stats from NZTA as at 1 December 2023

- People are twice as safe in a 5-star safety rated car than in a 1-star safety rated car in a crash.
- Vehicles with 1 or 2- star safety ratings make up around 40% of the light vehicle fleet in New Zealand, but are over-represented in crashes involving deaths and serious injuries on our roads.
- Previous analysis has shown high safety rated vehicles are available in most categories and price brackets.
- The Rightcar website also includes information about vehicles' crash avoidance features, such as automatic emergency braking and lane-keeping systems, which can help people to avoid crashing. NZ Transport Agency, Waka Kotahi recommends people check the crash avoidance features a vehicle has, along with its safety rating.

Sigurd Magnusson

Senior Adviser - Environment, Emissions and Adaptation

Ministry of Transport – Te Manatū Waka

s 9(2)(a)

<p>Clean Vehicle Standard review</p> <p>Officials to progress work to exempt disability vehicles from the scheme by mid-year.</p> <p>Note: The exemption will be included in the regulations for the Clean Vehicle Standard review.</p> <p>We have revised this timeline to bring forward Cabinet policy decisions to 1 July 2024 (ECO 26 June) rather than 29 July.</p> <p>This timeline envisages the regulations being in effect on 9 September 2024. The exemption for disability could be in effect on 12 August 2024 with a waiver of the 28-day notice period.</p> <p>Our timeline is subject to confirmation from PCO.</p>	<p>Cabinet policy decisions 1 July 2024 (ECO 26 June) rather than 29 July 2024.</p>
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From: [Gayelene Wright](#)
To: [Dominic Cowell-Smith](#)
Cc: [Natasha Rave](#)
Subject: RE: Clean Car Standard - Office wanting to know when advice to Minister on next year's targets will come
Date: Tuesday, 30 April 2024 8:37:00 am
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)

The advice will come from the MIA. They will be sending a letter. In a nutshell it will say that they support the recommendations but for the one on the transition to uniform targets for passenger vehicles. The MIA prefer a 4-year transition so having uniform targets from 2029. We will be recommending a 2-year one. I have put a note in the Weekly Report on this

From: Dominic Cowell-Smith <Dominic.Cowell-Smith@parliament.govt.nz>
Sent: Tuesday, April 30, 2024 8:12 AM
To: Gayelene Wright <g.wright@transport.govt.nz>
Cc: Siobhan Routledge <S.Routledge@transport.govt.nz>; Natasha Rave <N.Rave@transport.govt.nz>
Subject: RE: Clean Car Standard - Office wanting to know when advice to Minister on next year's targets will come

Morning Gayelene

Thanks for the info – happy to continue with the May 14 date. Do you have any more information on the advice the Minister would have received from the VIA? I haven't seen it come through here (but it may just be filtering through still)

Cheers
Dom



Dominic Cowell-Smith
Private Secretary (Transport) | Office of Hon Simeon Brown
Minister of Transport | Minister for Auckland | Minister for Energy | Minister for Local Government

§ 9(2)(a)
Email: dominic.cowell-smith@parliament.govt.nz Website: www.Beehive.govt.nz
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

From: Gayelene Wright <g.wright@transport.govt.nz>
Sent: Tuesday, April 30, 2024 7:38 AM
To: Dominic Cowell-Smith <Dominic.Cowell-Smith@parliament.govt.nz>
Cc: Siobhan Routledge <S.Routledge@transport.govt.nz>; Natasha Rave <N.Rave@transport.govt.nz>
Subject: FW: Clean Car Standard - Office wanting to know when advice to Minister on next year's targets will come
Importance: High

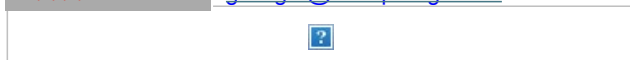
Hi there Dom

I understand the Minister was asking about when he would receive the advice on the outcome of the CCS review. As we have previously advised we are working to a deadline of providing advice on 14 May. We may be in a position to provide the briefing next week but this depends on getting advice from the NZTA and getting any reaction from the VIA to the advice the Minister will have just received from the MIA.

Regards

Gayelene

Gayelene Wright
Kaitohutohu Mātāmua, Hoahoa Kaupapa Here Taiao | Principal Adviser, Environment
Te Manatū Waka - Ministry of Transport
§ 9(2)(a) g.wright@transport.govt.nz



From: Paul Hawkes <P.Hawkes@transport.govt.nz>

Sent: Monday, April 29, 2024 4:27 PM

To: Sigurd Magnusson <S.Magnusson@transport.govt.nz>; Gayelene Wright <g.wright@transport.govt.nz>; Natasha Rave <N.Rave@transport.govt.nz>

Cc: Siobhan Routledge <S.Routledge@transport.govt.nz>

Subject: Clean Car Standard - Office wanting to know when advice to Minister on next year's targets will come

Importance: High

Hi Gayelene and Sigurd,

Dom just called me (will canvas that in a separate email as it was relating to the cost recovery), saying that the Minister was wanting to know when he will receive advice on next year's Standard targets?

I said I'd pass that on to you two to then advise Dom, as I wasn't sure.

Cheers,

Paul

Paul Hawkes

Senior Adviser, 2nd Emissions Reduction Plan, +s 9(2)(a)

Te Manatū Waka Ministry of Transport

E: P.Hawkes@transport.govt.nz | transport.govt.nz



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From: [Gayelene Wright](#)
To: [Dominic Cowell-Smith](#)
Cc: [Siobhan Routledge](#); [Natasha Rave](#); [Sigurd Magnusson](#)
Subject: The Australian targets have been considered by the Australian parliament faster than expected
Date: Friday, 17 May 2024 9:19:00 am
Attachments: [image001.png](#)

Hi there Dom

In the briefing on the outcome of the Clean Car Importer Standard it states in paragraph 22 that “The Australian targets are currently before the Australian Parliament . Australian officials consider that they will be passed by August 2024”.

I have just heard that the Australian targets were passed by the Australian House of Representatives yesterday morning, without changes. They are now before the Australian Senate and approval is also expected to be completed this week.

Do you want the briefing amended – or can this information be passed on to the Minister?

Thanks

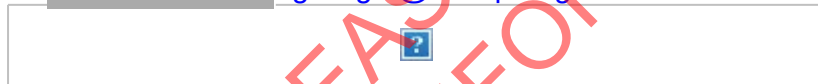
Gayelene

Gayelene Wright

Kaitohutohu Mātāmua, Hoahoa Kaupapa Here Taiao | Principal Adviser, Environment

Te Manatū Waka - Ministry of Transport

M: [s 9\(2\)\(a\)](#) g.wright@transport.govt.nz



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From: [Gayelene Wright](#)
To: [Dominic Cowell-Smith](#)
Cc: [Natasha Rave](#)
Subject: Legislation for the Clean Car Review
Date: Saturday, 18 May 2024 9:41:00 am
Attachments: [image001.png](#)
[image002.jpg](#)

Hi there Dom

I understand you phoned and asked Natasha about the legislation needed for the Clean Car Review.

The empowering provision to be able to reset the targets by regulation is in the Budget night legislation. The second amendment Bill will be for the changes to the flexibility measures and an empowering provision to stop weight adjusting targets.

Change to the Clean Car Standard regulations is needed to exempt disability vehicles from the Standard.

Give me a call if anything is unclear.

Thanks

Gayelene

Gayelene Wright

Kaitohutohu Mātāmua, Hoahoa Kaupapa Here Taiao | Principal Adviser, Environment

Te Manatū Waka - Ministry of Transport

§ 9(2)(a) g.wright@transport.govt.nz



From: Dominic Cowell-Smith <Dominic.Cowell-Smith@parliament.govt.nz>

Sent: Friday, May 17, 2024 3:19 PM

To: Gayelene Wright <g.wright@transport.govt.nz>

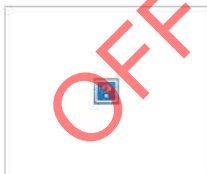
Subject: RE: Can I share the Clean Car Importer Standard briefing with MfE?

Hey Gayelene,

I'll run this past the office but as the Minister will be considering this over the weekend, will likely be next week when I confirm

Cheers

Dom



Dominic Cowell-Smith

Private Secretary (Transport) | Office of Hon Simeon Brown
Minister of Transport | Minister for Auckland | Minister for Energy | Minister for Local Government

§ 9(2)(a) : § 9(2)(a)
Email: dominic.cowell-smith@parliament.govt.nz Website: www.Beehive.govt.nz
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

From: Gayelene Wright <g.wright@transport.govt.nz>

Sent: Friday, May 17, 2024 2:16 PM

To: Dominic Cowell-Smith <Dominic.Cowell-Smith@parliament.govt.nz>

Subject: Can I share the Clean Car Importer Standard briefing with MfE?

Hi there Dom

To help the passage of the Cabinet paper for the review of the Clean Car Standard I would like to share the briefing (that the Minister has just received) with MfE officials. Could you let me know if I can do this.

The reason I want to share it is that MfE officials are not aware of the reasons why the targets need to be reset. They have a view that it is undesirable to reset them as they think this will reduce the expected CO2 emission savings. They do not appreciate that the current targets are unlikely to be met and the expected CO2 emissions savings will not be realised.

Thanks

Gaylene

Gaylene Wright

Kaitiakiwhiriwhiri Mātāmua, Hoahoā Kaupapa Here Taiao | Principal Adviser, Environment

Te Manatū Waka - Ministry of Transport

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