



Cabinet Economic Growth and Infrastructure Committee

EGI Min (09) 17/13

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Minute of Decision

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Vehicle Fuel Economy Standard

Portfolio: Transport

On 19 August 2009, the Cabinet Economic Growth and Infrastructure Committee:

- 1 **noted** that New Zealand and Australia have agreed to include transport fuels in their Emissions Trading Schemes, and that this will create an economic incentive to use energy more efficiently;
- 2 **noted** that there are already a number of other initiatives that the government is proposing that are likely to encourage a trend towards the purchase of smaller and more fuel efficient vehicles;
- 3 **noted** that because of the current economic situation, it is not desirable to increase the costs for importers and purchasers of vehicles at this time;
- 4 **agreed** that no further work should be carried out on a regulated Vehicle Fuel Economy Standard (VFES) at this time;
- 5 **noted** that officials will continue to consider how New Zealand might take advantage of low CO₂ transport options, as those options become available;
- 6 **noted** that no formal statement has been made on the status of the VFES since consultation started in early 2008, and that the Motor Industry Association, among others, has requested advice on the scheme's status so that vehicle importers can plan their ongoing business;
- 7 **agreed** that a media release be issued informing the public and the motor industry of the current position, following Cabinet's decision.

Reference: EGI (09) 142

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